

The success or failure of personal diplomacy ultimately rests on an imaginative, flexible foreign policy rooted in the realities of this changing world. Handshakes and pleasant smiles are not enough. They may temporarily ease tensions, but tempers will rise again unless the heads of states follow up their pleasantries with deeds and negotiations amenable to realistic compromise rather than tailored for soothing press release.

Personal diplomacy, rooted in a realistic foreign policy, offers a tremendous opportunity to reach an accommodation with the Russians in the cold war.

The world changes as we walk in it, as we ride in it, and as we fly in it. Sometimes perhaps the greatest fact of life is the fact of change. It is overlooked.

In the opinion of many Russian scholars, the death of Stalin and the rise of Khrushchev presented the West with a genuine opportunity to reach at least a stabilized plateau in the cold war which would be in our self-interest, and ultimately I believe in the best interests of mankind. Too often in recent years we have reacted to Khrushchev as if he were Stalin, and we continued to follow the policies designed to cope with the world of Stalin rather than the rapidly changing world of the 1960's, which calls for seeking new alternatives to the arms truce, which may lead to world destruction. Time may run out on us—time and distance. The greatest allies of the United States of America are no longer possessed by Americans alone. In World Wars I and II our greatest allies were time and distance. We had time to mobilize our manpower, time to produce our equipment, time to process our foodstuffs, while World War I was fought in a rather localized area of Europe.

Then came an armistice—it was only that—and we were in World War II. Still, although war was to be more flexible, and it was, in a sense, localized, we again had time and distance as our greatest allies—time, I repeat, to mobilize and manufacture and produce, before we were actually to engage ourselves through our Armed Forces against the common enemy.

Tonight, I repeat and reemphasize, time and distance are no longer the greatest allies of the United States.

I would not want to be an alarmist for the sake of being an alarmist alone. I would not want to attempt to use words that might be terrifying. But if we have a world war III, we know that the front lines of such a conflict will be the front yards of the people, not only of the United States, but also of the other nations of the world. In other words, the war is everywhere, not only in its direct impact, but also in its overall consequences.

So I say again that time may run out on us.

The followers of Stalin are still a strong minority in the power elite which rules Russia. If we do not take advantage of the opportunities which were created by the ascendancy of Khrushchev, we may find ourselves facing another Stalin. But a Stalin who, backed

by the saber-rattling fanaticism of the Chinese Communists, will be far more dangerous and difficult to cope with in the tomorrows. And then the nuclear nightmare we dread may become a reality.

These are the deeper lessons that we must learn from the collapse of the summit and our increasing troubles in the Far East. American foreign policy, with personal diplomacy as an indispensable tool to help reconcile the peoples of the world, must be redesigned for the decade ahead. We cannot continue to coast on policies patterned for the problems of the 1950's.

I say this in sadness. This has been the distressing failure of the Eisenhower administration, which often has tried to utilize personal diplomacy without a firm foundation of foreign policy rooted in the changing realities of our times.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted.

#### EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,  
The following favorable report of a nomination was submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Ralph W. Gray, of Massachusetts, to be U.S. marshal for the district of Massachusetts.

#### ADDITIONAL BILLS AND JOINT RESOLUTIONS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK:

S. 3806. A bill to increase the public revenues; to the Committee on Finance.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA (for himself, Mr. BARTLETT, Mr. CLARK, Mr. RANDOLPH, Mr. LONG of Hawaii, Mr. MCCARTHY, Mr. HART, Mr. HUMPHREY, Mr. MURRAY, Mr. YARBOROUGH, and Mr. ENGLE):

S. 3807. A bill to present a declaration of objectives for senior Americans; provide for the establishment of a U.S. Office of Aging within the Department of Health, Education, and Welfare to be headed by an Assistant Secretary for Aging; authorize Federal grants to assist in the development and operation of studies and projects to help older persons, and for other purposes; to the Committee on Finance.

#### AMENDMENT OF HELIUM ACT— AMENDMENTS

Mr. DIRKSEN, on behalf of himself, Mr. COOPER and Mr. MURRAY, submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 10548) to amend the Helium Act of September 1, 1937, as amended, for the defense, security, and the general welfare of the United States, which were ordered to lie on the table and be printed.

#### STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM—AMENDMENT

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to the bill (H.R. 12311) to strengthen the wheat marketing quota and price support program, which was ordered to be printed and to lie on the table.

#### ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 1, 1960, he presented to the President of the United States the enrolled bill (S. 747) to provide for the conveyance of certain lands which are part of the Des Plaines Public Hunting and Refuge Area and the Joliet Arsenal Military Reservation, located in Will County, Ill., to the State of Illinois.

#### ADJOURNMENT TO 10 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 11 o'clock and 46 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Saturday, July 2, 1960, at 10 o'clock a.m.

#### NOMINATIONS

Executive nomination received by the Senate July 1, 1960:

##### JUDICIARY

Joseph M. F. Ryan, Jr., of Maryland, to be associate judge of the municipal court of the District of Columbia, domestic relations branch, for the term of 10 years, vice Godfrey L. Munter, resigned.

Andred A. Caffrey, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice William T. McCarthy, retired.

## HOUSE OF REPRESENTATIVES

FRIDAY, JULY 1, 1960

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 13: 6: *I will sing unto the Lord, because He hath dealt bountifully with me.*

Eternal and ever-blessed God, whose divine providence supplies all our needs, grant that in these strange and strenuous

ous days we may appropriate by faith Thy revealing presence and sustaining power.

May the hearts of the citizens of our beloved country expand with pride as they see our leaders and chosen representatives maintaining their integrity in the face of the temptation to make expediency the standard and test of their action rather than truth and righteousness.

Give us courage and hope as we seek to bring about a closer fellowship and better understanding between all the nations. May we recognize our kinship and be conscious of how much we can do to minister to one another's welfare and happiness.

Together we penitently confess our sins and humbly beseech Thy pardoning mercy in the name of our Lord and Saviour. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 7903. An act to amend chapter 37 of title 38, United States Code, to extend the veterans' guaranteed and direct loan program for 2 years; and

H. Con. Res. 706. Concurrent resolution authorizing corrections in the engrossment of the bill H.R. 11602.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5196. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11866. An act making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Texas, Mr. ELLENDER, Mr. HAYDEN, Mr. FULBRIGHT, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3736. An act creating a commission to be known as the Commission on Noxious and Obscene Matters and Materials; and

S. Con. Res. 112. Concurrent resolution providing for an adjournment of the two Houses from July 2, 1960, to August 8, 1960.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 1509. An act to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes;

S. 1965. An act to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies;

S. 2197. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used;

S. 2857. An act to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act;

S. 3545. An act to amend section 4 of the act of January 21, 1929 (48 U.S.C. 345a(c)), and for other purposes; and

S.J. Res. 41. Joint resolution to establish a National Institute for International Health and Medical Research, to provide for international cooperation in health research, research training, and research planning, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7593) entitled "An act to provide that the Civil Aeronautics Board may temporarily authorize certain air carriers to engage in supplemental air transportation, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MONROE, Mr. ENGLE, and Mr. CORTON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11998) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 26, 28, and 58, of the foregoing bill.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8229) entitled "An act to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. ANDERSON, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

### SALARY INCREASES FOR POSTAL AND OTHER FEDERAL EMPLOYEES

The SPEAKER. The unfinished business is action on the veto message of the President on the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

Mr. MURRAY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 345, nays 69, answered "present" 1, not voting 16, as follows:

[Roll No. 171]

YEAS—345

|                 |              |                 |
|-----------------|--------------|-----------------|
| Abblitt         | Corbett      | Herlong         |
| Abernethy       | Cramer       | Hiestand        |
| Adair           | Cunningham   | Hoffman, Ill.   |
| Addonizio       | Curtin       | Hogan           |
| Albert          | Daddario     | Holifield       |
| Alexander       | Daniels      | Holland         |
| Andersen        | Davis, Ga.   | Holt            |
| Minn.           | Davis, Tenn. | Holtzman        |
| Anderson, Mont. | Dawson       | Horan           |
| Andrews         | Delaney      | Hosmer          |
| Anfuso          | Dent         | Huddleston      |
| Ashley          | Denton       | Hull            |
| Ashmore         | Derounian    | Ikard           |
| Aspinall        | Derwinski    | Inouye          |
| Auchincloss     | Devine       | Irwin           |
| Bailey          | Diggs        | Jarman          |
| Baldwin         | Dingell      | Jennings        |
| Baring          | Donohue      | Jensen          |
| Barr            | Dorn, N.Y.   | Johnson, Calif. |
| Barrett         | Dowdy        | Johnson, Colo.  |
| Bass, Tenn.     | Downing      | Johnson, Md.    |
| Bates           | Doyle        | Johnson, Wis.   |
| Baumhart        | Dulski       | Jonas           |
| Becker          | Durham       | Jones, Ala.     |
| Beckworth       | Dwyer        | Karsten         |
| Belcher         | Edmondson    | Karth           |
| Bennett, Fla.   | Elliott      | Kasem           |
| Bennett, Mich.  | Everett      | Kastenmeier     |
| Betts           | Evins        | Kearns          |
| Blatnik         | Fallon       | Kee             |
| Boggs           | Farbstein    | Kelly           |
| Boland          | Fascell      | Kilday          |
| Bolling         | Feighan      | Kilgore         |
| Bolton          | Fenton       | King, Calif.    |
| Bonner          | Fino         | King, Utah      |
| Bosch           | Fisher       | Kirwan          |
| Bow             | Flood        | Kitchin         |
| Boykin          | Flynn        | Kluczynski      |
| Brademas        | Fogarty      | Knox            |
| Bray            | Foley        | Kowalski        |
| Breeding        | Forand       | Kyl             |
| Brewster        | Forrester    | Landrum         |
| Brook           | Fountain     | Lane            |
| Brooks, La.     | Frazier      | Lankford        |
| Brooks, Tex.    | Friedel      | Latta           |
| Broomfield      | Fulton       | Lernon          |
| Brown, Ga.      | Gallagher    | Lesinski        |
| Brown, Mo.      | Garmatz      | Levering        |
| Brown, Ohio     | Gary         | Libonati        |
| Broyhill        | Gathings     | Lindsay         |
| Burdick         | Gavin        | Lipscomb        |
| Burke, Ky.      | George       | Loser           |
| Burke, Mass.    | Glaimo       | McCormack       |
| Burleson        | Gilbert      | McCulloch       |
| Byrne, Pa.      | Glenn        | McDonough       |
| Cahill          | Granahan     | McDowell        |
| Canfield        | Grant        | McFall          |
| Cannon          | Gray         | McGovern        |
| Carnahan        | Green, Oreg. | McMillan        |
| Casey           | Green, Pa.   | McSweeney       |
| Celler          | Griffiths    | Macdonald       |
| Chelf           | Gubser       | Machrowicz      |
| Chenoweth       | Hagen        | Mack            |
| Chipchfield     | Haley        | Madden          |
| Church          | Halpern      | Magnuson        |
| Clark           | Hardy        | Mahon           |
| Coad            | Hargis       | Mailliard       |
| Coffin          | Harmon       | Marshall        |
| Cohelan         | Harris       | Martin          |
| Collier         | Hays         | Matthews        |
| Conte           | Healey       | Meador          |
| Cook            | Hébert       | Morrow          |
| Cooley          | Hechler      | Metcalf         |
|                 | Hemphill     | Meyer           |



Michel  
Miller, Clem  
Miller,  
George P.  
Miller, N.Y.  
Milliken  
Mills  
Mitchell  
Moeller  
Monagan  
Montoya  
Moore  
Moorhead  
Morgan  
Morris N. Mex.  
Morrison  
Moss  
Moulder  
Multer  
Murphy  
Natcher  
Nix  
Norblad  
O'Brien, Ill.  
O'Brien, N.Y.  
O'Hara, Ill.  
O'Hara, Mich.  
O'Konski  
O'Neill  
Oliver  
Osmers  
Ostertag  
Passman  
Patman  
Pelly  
Perkins  
Pfost  
Philbin  
Pirnie  
Porter  
Preston  
Price

Prokop  
Pucinski  
Quigley  
Rabaut  
Rains  
Randall  
Reuss  
Rhodes, Pa.  
Riehlman  
Riley  
Rivers, Alaska  
Rivers, S.C.  
Roberts  
Rodino  
Rogers, Colo.  
Rogers, Fla.  
Rogers, Mass.  
Rooney  
Roosevelt  
Rostenkowski  
Roush  
Rutherford  
Santangelo  
Saund  
Saylor  
Schenck  
Scott  
Seiden  
Shelley  
Sheppard  
Shipley  
Sikes  
Siler  
Simpson  
Sisk  
Slack  
Smith, Calif.  
Smith, Iowa  
Smith, Miss.  
Spence  
Springer  
Staggers

Stratton  
Stubblefield  
Sullivan  
Taylor  
Teague, Calif.  
Teague, Tex.  
Teiler  
Thomas  
Thompson, La.  
Thompson, N.J.  
Thompson, Tex.  
Thornberry  
Toll  
Tollefson  
Trimble  
Udall  
Ullman  
Vanik  
Van Pelt  
Van Zandt  
Wallhauser  
Walter  
Wampler  
Watts  
Weaver  
Weis  
Westland  
Whitener  
Whitten  
Widnall  
Wier  
Williams  
Willis  
Willson  
Winstead  
Withrow  
Wolf  
Wright  
Yates  
Young  
Zablocki  
Zelenko

## NAYS—69

Alger  
Allen  
Arends  
Ayres  
Baker  
Barry  
Bass, N.H.  
Berry  
Budge  
Byrnes, Wis.  
Cederberg  
Chamberlain  
Colmer  
Curtis, Mass.  
Curtis, Mo.  
Dague  
Dixon  
Dooley  
Dorn, S.C.  
Flynt  
Ford  
Frelinghuysen  
Goodell

Griffin  
Gross  
Halleck  
Harrison  
Henderson  
Hess  
Hoeven  
Hoffman, Mich.  
Johansen  
Jones, Mo.  
Judd  
Keith  
Kilburn  
Lafore  
Laird  
Langen  
McGinley  
McIntire  
May  
Mumma  
Murray  
Nelsen  
Norrell

Pilcher  
Pillion  
Poage  
Poff  
Quie  
Ray  
Reece, Tenn.  
Rees, Kans.  
Rhodes, Ariz.  
Robison  
Rogers, Tex.  
St George  
Scherer  
Schneebell  
Schwengel  
Short  
Smith, Kans.  
Smith, Va.  
Taber  
Thomson, Wyo.  
Tuck  
Wainwright  
Wharton

## ANSWERED "PRESENT"—1

Avery

## NOT VOTING—16

Alford  
Barden  
Bentley  
Blitch  
Bowles  
Buckley

Jackson  
Keogh  
Mason  
Minshall  
Morris, Okla.  
Powell

Steed  
Utt  
Vinson  
Younger

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs.

On this vote:

Mr. Minshall and Mr. Mason for, with Mr. Jackson against.

Mr. Keogh and Mr. Buckley for, with Mr. Avery against.

Mr. Younger and Mr. Morris of Oklahoma for, with Mr. Bentley against.

Until further notice:

Mr. Alford with Mr. Utt.

Mr. AVERY. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. KEOGH] and with the gentleman from New York [Mr. BUCKLEY]. If they had been present they would have

voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

Mr. UTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. UTT. Mr. Speaker, I was unavoidably detained, and did not arrive on the floor of the House until the rollcall on the pay raise veto was concluded. Had I been present, I would have voted to override the President's veto.

Mr. ALGER. Mr. Speaker, in overriding the President's veto of this pay increase, we have capitulated to the political pressure of lobbyists, in this case representing the postal workers unions. We are guilty of permitting legislative dictation. If one pressure group can do it, so can others. Then, in the aggregate total our representative government will fail. No longer will we have judicious study of legislation, but roughshod political dictation. This course can only result in the disintegration of our form of government and our society of free people. I condemn this pay raise as factually wrong and financially unsound, though politically expedient. Therefore, I voted to uphold the veto. The President's statement contains the facts, including his recommendation that the temporary 2.5 percent raise already in effect be made permanent, and indicating his willingness to go along with a further reasonable hike commensurate with increased living costs. That this bill goes far beyond those reasonable norms is manifest. To the extent that it does, we are simply rewarding one group—well organized Federal employees—at the expense of all other taxpayers. At this time, as much as ever, we legislators need to exercise self-discipline, letting November's votes fall where they may.

Mr. QUIE. Mr. Speaker, the action of this House to override the veto of the President on H.R. 9883 leads me to state my own convictions on the objective of providing an adequate salary increase for postal workers and maintaining attractive pay levels for all Federal public servants.

No one can dispute these objectives.

I have long recognized the fact that the salaries of postal employees have not kept pace with compensation for comparable work in private employment. I strongly feel that it is our duty to provide adequate salaries for Federal employees.

But at the same time it is evident to me that H.R. 9883 is not the means to achieve the desirable end.

I believe the President's position is strong when he points out that the bill is "manifestly unjust."

He adds:

Were this measure to become law, the already conspicuous unfairness and discrimination in our antiquated Federal pay system would be greatly intensified.

In addition, he cited the fact that—the money cost \* \* \* would impose an annual burden on the American taxpayer of three-quarters of a billion dollars and the money would not be wisely spent.

These are some of the reasons why I supported the President's stand.

Certainly another reason is that Congress itself has appropriated \$500,000 for a study of the entire Federal pay structure. The results of this study, available in September, will, presumably, pave the way for a sound system of compensation for Federal employees.

At the same time, Mr. Speaker, I want to say this about the representatives of the postal employees who have contacted me. Whenever I have met with these representatives I have found them to be able and courteous people—sincere in their desire to help those whom they represent.

Mr. Speaker, I believe my record will show that I have consistently supported and worked for the well-being of our Federal employees—especially the postal workers. Therefore, I can wholeheartedly say that I am happy to see the deserving employees receive a salary increase. I only regret that, due to the bill's many failings, I could not in conscience vote to override the President's decision as to the overall impact of the bill.

Mr. JUDD. Mr. Speaker, after much study of H.R. 9883, the entire bill, not just of the portion dealing with pay raises for postal employees, I am compelled to vote to sustain the President's veto. I do not agree with two major reasons the President gives for his veto, but it seems to me the other reasons against the total bill outweigh the reasons for it, especially since it is not necessary for the Congress to accept the unjustified portions of this bill in order to obtain the salary increase which the evidence has convinced me the postal workers are clearly entitled to.

In a free society there is one sure test of whether a pay scale is proper. Is the number of high-grade persons seeking the jobs increasing or decreasing? If the number is decreasing, the pay scale obviously is too low. That is the case with postal jobs in my city today. The number of superior individuals seeking employment in the postal service is much lower than it has been. This can only mean that, in comparison with other jobs, the pay and other rewards in these jobs are not as attractive as formerly, and not as attractive as they must be to get the kind and quality of employees the post office must have to give our people the good service they want and need.

I do not agree with the suggestion in the veto message that postal salaries should be raised by only the same percentage as the general cost of living has increased since the last pay raise bill. Most other workers in the United States have obtained from private employers wage raises larger than the increase in cost of living. I believe the U.S. Government ought to treat its employees at least as well as private industry—and the Government will have to do so if it is to get its work done well.

Also, I cannot go along with the argument that the postal employees can-

not be given a suitable pay raise because the Post Office has such a big deficit. The postal workers are not responsible for that deficit; the Congress is. Not enough Members are willing to vote for higher postal rates to pay for increased costs. When wages and prices in the steel industry go up, the Defense Department does not refuse to pay the higher price required for steel for its ships and missiles. It pays what it has to pay to get what it has to have. The same should be true of the Post Office.

These are the strong reasons for a pay raise for postal employees. What are the reasons against passage of this total bill?

First. The bill does upset differentials in the postal service by granting a higher rate of increase—up to 8.8 percent—to some employees than to others—7.5 percent—performing the same work. This creates inequities within the service itself as well as giving the lowest percentage increase to those who are, as the President stated, the most underpaid in relation to persons doing similar work in private industry.

Second. There is no justification for including in this bill the same 7½ percent pay raise for Federal civil service employees as for postal employees. The Congress itself authorized and appropriated \$500,000 for a comprehensive survey to guide it in determining just what adjustments ought to be made. It does not make sense for the Congress to act before it has the benefit of its own study, which is due to be finished by September.

Third. There is no justification for including in this bill a 7½ percent pay raise for salaries of our own congressional employees. No hearings were held or data gathered or even discussion by the committee on this matter.

Fourth. There is no justification for including in this bill a 7½ percent pay raise plus Federal retirement and life insurance benefits, for locally elected county stabilization and conservation committees. These are not Federal employees in any true sense. Doubtless they need and deserve adjustments in the terms of their employment, but again, no hearings were held or evidence presented. How can any one argue for the shot-in-the-dark effort which this bill makes?

Fifth. There is no justification for inclusion in this bill of a 7½ percent salary increase for all the employees in our Foreign Service, a quite separate body most of whose members are living and working under totally different conditions abroad. In fact, this section is the most incredible thing in the bill. Legislation regarding these employees is the responsibility of the Committee on Foreign Affairs. That committee has studied the matter and reported out a bill some time ago to make the salary adjustments which the testimony indicated are needed.

The House Committee on Post Office and Civil Service, for no explained reason, and without any hearings or requests for it to do so, and utterly ignoring the recommendations of those who have studied the matter, threw into the omnibus bill now before us a 7½-percent salary raise. Maybe it was thought that

by putting everybody in the bill, whether justified or not, more support could be mustered for the one portion of the bill which is has been shown is justified. That is no way for the Congress to legislate.

Mr. Speaker, this is one of these difficult situations in which one wants to vote for the good provisions and against the bad sections. Unfortunately, this is not possible. So the final question becomes, should one swallow so much that does not belong in this bill in order to achieve the part which is good? I do not believe this would be right.

Moreover, it is not necessary. To sustain the veto kills this particular omnibus bill—but it does not remove all possibility of a proper pay raise for postal workers. I have introduced a bill, H.R. 12929, to provide a 7-percent across-the-board salary increase for postal employees along with a commission to develop a better pay system for the entire Federal Government, and to report its recommendations by February 15, 1961.

I chose that 7-percent figure because, as I have told representatives of our Minneapolis postal employees on several occasions, I am certain a bill with that figure will become law. I have been ready to vote for a bill that would provide even a 9-percent increase for the postal workers, because the case has been made for them. It has not been made as yet for the others.

So, on balance, I cannot conscientiously vote for this total bill. It obviously is going to be passed by the House over the veto. If it should fail in the other body, I shall press at once for action on my own bill and am sure the Congress will not finish this session without passing it or a similar bill.

Mr. O'NEILL. Mr. Speaker, the President of the United States, in expressing his disapproval of the Federal pay legislation before us—H.R. 9883—has accused postal employees of exerting flagrantly and in concert intensive and unconcealed political pressure on Members of Congress.

Never before in my experience has a veto message contained such intemperate and abusive language. Never before in my experience has a veto message contained such a grotesque perversion of fact.

The implication of the President's message is a gross libel on the integrity and moral stamina of the Congress. I resent the implication, and I feel certain that every thoughtful Member of this body resents it.

What does the President mean by "intensive and unconcealed political pressure"? Postal employees have merely exercised their constitutional right of direct petition. They have come to us for help and support, as they have always come to us when they were in need. They have presented their arguments in a dignified and compelling manner. They have proved to us that this administration has practiced economic discrimination against them. They have—in short—exercised effectively their rights and privileges as American citizens.

Have we come to such a pass in this democracy of ours that the exercise of the undisputed rights of American citi-

zenship can be slandered as exerting "flagrant," "intensive and unconcealed political pressure"?

If any Member of this body is feeling political pressure today—where is that pressure coming from? I suggest it is not coming from the underpaid and economically desperate postal employees who are merely struggling to keep themselves and their families afloat on the rising sea of inflation.

No, Mr. Speaker, I suggest that the political pressure is coming from the other end of Pennsylvania Avenue—from the large gray building at the corner of 12th Street and the Avenue where a bitter and overly aggressive Postmaster General is quarterbacking this fight to deny postal employees their economic rights. That is where the pressure is coming from, not from the beleaguered and underpaid postal employees.

And are we to yield to such unconscionable pressure? No, Mr. Speaker, I am confident that we shall not do so.

We have heard the arguments, pro and con. We have expressed our wishes by an overwhelming vote in favor of this legislation. We did not cast our votes because of any so-called pressure. We cast our votes because the salary increase is justified, long overdue and desperately needed. We cast our votes in the interest of equity and common decency. And, Mr. Speaker, equity and common decency demand that we rise up and pass this legislation today, the wishes of the President to the contrary notwithstanding.

Mr. REES of Kansas. Mr. Speaker, I am not opposed to legislation that would grant fair salary increases and other benefits for those employed in Government service. I have always supported legislation I thought was reasonable and fair for Federal workers. In fact, I have legislation pending at the present time for benefits on behalf of our Government workers. It should also be stated that more legislation for higher salaries and benefits was granted during the period that I was chairman of the House Post Office and Civil Service Committee than in any similar period in the past 30 years.

This legislation has not received the consideration to which it is entitled. It is inequitable. It is unfair to many of our Government employees. It was put through the House under a high pressure system. It was considered under a petition whereby Members were not even permitted to offer amendments.

We all approved the appropriation last Congress for an expenditure of \$500,000 to develop information for a new improved concept for compensation of Federal employees. That study is already in progress and is scheduled to be completed at the end of this year.

I repeat I am in favor of providing equitable treatment for Federal employees as compared with those in private industry. This bill will cost the taxpayers of this country three-quarters of a billion dollars. I just do not believe the people of this country want this legislation in its present form. Neither do I believe they want their money expended unnecessarily as is being done in this bill.



This bill includes 1,600,000 employees in various jobs and in all parts of the world. No consideration is given with respect to length of service or amount of salary they receive at the present time.

Even though you voted against the President, which every Member has a perfect right to do, I think it might be well to give the President's views some consideration with respect to what his employees should be paid.

Let me repeat, I am in favor of fair and equitable treatment to all Government employees. I just do not believe this legislation meets that standard.

#### MAKING TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1961

Mr. CANNON. Mr. Speaker, under a special order of the House I call up House Joint Resolution 778, making temporary appropriations for the fiscal year 1961, and for other purposes, and ask unanimous consent that the resolution be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the House joint resolution as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government, namely:*

Sec. 101. (a) (1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1960 and for which appropriations, funds, or other authority would be available in the following appropriation Acts for the fiscal year 1961:

Legislative Branch Appropriation Act;  
General Government Matters Appropriation Act;  
Independent Offices Appropriation Act;  
Department of Defense Appropriation Act;  
Departments of Labor, and Health, Education, and Welfare Appropriation Act;  
Military Construction Appropriation Act;  
Mutual Security and Related Agencies Appropriation Act;  
Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act;

Public Works Appropriation Act; and the Supplemental Appropriation Act.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided for by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed by the House is different from that which would be made available or granted under such Act as passed by the Senate, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority.

(4) Whenever an Act listed in this subsection has been passed by only one House or where an item is included in only one version of an Act as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, funds,

or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower: *Provided*, That no provision which is included in any appropriation Act enumerated in this subsection but which was not included in the applicable appropriation Act for the fiscal year 1960, and which by its terms is applicable to more than one appropriation, fund, or authority, shall be applicable to any appropriation, fund, or authority provided in this joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and the Senate.

(b) Such amount as may be necessary for continuing projects or activities which were conducted in the fiscal year 1960 and listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower:

Department of Commerce: Bureau of Public Roads: Forest highways (liquidation of contract authorization).

Sec. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) August 31, 1960, whichever first occurs.

Sec. 103. Appropriations and funds made available and authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679 of the Revised Statutes, as amended, and expenditures therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

Sec. 104. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1960. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

Mr. CANNON. Mr. Speaker, I move to strike out the last word. This is the usual resolution providing for continuation of functions of Government during the fiscal year 1961 beginning today for which the annual supply bills have not been fully processed.

The House has adopted all 18 appropriation bills for the session.

The Senate has passed 15 of the bills. Congressional action has been completed on 10 bills and conference reports on two more—the independent offices bill and the military construction bill—were filed last night and should be sent to the President by tomorrow.

Three bills are pending in the Senate. They are the public works bill, the mutual security bill, and the supplemental bill.

Two are in conference. Prospects for disposing of them are at the moment uncertain. In any event, we will have to adopt this resolution to provide for such functions as are not finally covered by the regular bills before the impending recess.

The resolution is in the usual stereotyped form adopted without controversy

each year under similar circumstances. It does not appropriate beyond the provisions of the regular bills; all expenditures made under the resolution are chargeable to funds finally appropriated in the regular bills.

And following the custom of the past, no provision is made for starting any new project, function or activity. The key word in the resolution is "continue"—to merely continue activities and functions on an interim basis, and then only if proposed to be continued in the regular process as provided in the resolution.

Mr. Speaker, we would normally supply at this time for the information of Members a brief résumé of the appropriations and related data but are unable to do so before disposition of pending conference reports. We will insert tentative tabulations and abbreviated data on the matter tomorrow, and a more complete résumé at the conclusion of the session.

Mr. TABER. Yes. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, there are 10 bills on which final action has not been taken or are otherwise in such shape that it would not be safe to leave them out of this resolution. This resolution permits the Government to continue its operations, not on any advanced scale but on a scale not greater than last year's figures and not more than the lower figure as they have been passed by both Houses. It is something that we have to do this year and it ought to be done today if the Government is to go on during the recess.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Washington.

Mr. PELLY. I would like to ask the gentleman this question: If the House turns down a motion to recess, would this continuing resolution still be advisable?

Mr. TABER. It would have to be, because there would be no way to take care of the payrolls that accrue after the 30th of June.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is the mutual security bill going to be forgotten this year, or do you think it will be called up after we return?

Mr. TABER. They tell me that the prospects are that it will not be called until after we return.

Mr. PASSMAN. It did not turn out to be such an "emergency" after all, did it?

Mr. TABER. The only expenditures that they will be able to make under this resolution will be at the House rate of the House bill or the current rate, whichever is lower.

Mr. PASSMAN. I thank the gentleman.

Mr. GROSS. Mr. Speaker, I rise in opposition to the pro forma amendment. I am not opposed to this resolution, but I do rise to ask the gentleman from Missouri [Mr. CANNON] a question. With the adoption of this resolution it will not be necessary, then, to rush conference reports through the House without adequate discussion of what has transpired

in the other body with respect to appropriation bills and other matters; is that not correct?

Mr. CANNON. The House has passed all of the bills and the Senate has passed 15. Several bills have gone to conference. We have reported three more today, two of which are the independent offices bill and the military construction bill. But, the remainder, which have not yet been processed, will be continued. The present fiscal situation will be continued exactly as it is, and the money will, when it is finally appropriated, be taken from that part.

Mr. GROSS. With the adoption of this resolution, it will not be necessary to drive conference reports through the House under forced draft.

Mr. CANNON. It will not be necessary to perfect them now before we adjourn.

Mr. GROSS. I am pleased to have that statement, and I thank the gentleman.

Mr. TABER. Mr. Speaker, there is one thing I wanted to say; this resolution expires August 31 or earlier if the bills are disposed of.

Mr. CANNON. Mr. Speaker, I think I might add that the House may be interested to know that the prospects indicate that we will this year be under the budget on the total appropriations for the year.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

#### WORK PLANS APPROVED—COMMUNICATION FROM THE COMMITTEE ON PUBLIC WORKS

The SPEAKER laid before the House the following communication, which was read, and, together with the accompanying papers, referred to the Committee on Appropriations.

JUNE 30, 1960.

HON. SAM RAYBURN,  
The Speaker, House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works has approved the work plans transmitted to you which were referred to this committee:

Sincerely yours,

CHARLES A. BUCKLEY,  
Member of Congress, Chairman, Committee on Public Works.

| State          | Watershed                     | Executive communication No. | Committee approval |
|----------------|-------------------------------|-----------------------------|--------------------|
| Alabama        | Big Prairie and French Creeks | 2,239                       | June 30, 1960      |
| Pennsylvania   | Mill Run                      | 2,239                       | Do.                |
| North Carolina | Town Fork Creek               | 2,307                       | Do.                |

#### PERSONAL EXPLANATION

Mr. TEAGUE of California. Mr. Speaker, our colleague the gentleman from California [Mr. YOUNGER] is in the hospital in Boston due to an emergency operation. There was an error yesterday in connection with rollcall No. 169, where he was paired "nay" on final passage, instead of "yea." I am told by the Parliamentarian that the permanent RECORD cannot be corrected except by the gentleman from California [Mr. YOUNGER], himself, when he returns. In the meantime, I am making this statement on his behalf as to how he would have voted.

#### MILITARY CONSTRUCTION BILL 1961

Mr. SHEPPARD. Mr. Speaker, I call up the conference report on the bill (H.R. 12231) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume the gentleman intends to take ample time to explain the bill; is that correct?

Mr. SHEPPARD. That is correct.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT (H. REPT. No. 2062)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12231) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9 and 10.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, and 8, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$148,407,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$162,519,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$609,501,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1 and 5.

HARRY R. SHEPPARD,  
CLARENCE CANNON,  
CHARLES R. JONAS,  
JOHN TABER,

Managers on the Part of the House.

JOHN STENNIS,  
DENNIS CHAVEZ,  
RICHARD B. RUSSELL,  
LYNDON B. JOHNSON,  
LEVERETT SALTONSTALL,  
STYLES BRIDGES (L.S.),

Managers on the Part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12231) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

#### MILITARY CONSTRUCTION

Amendment No. 1—Military construction: Reported in disagreement.

Amendment No. 2—Military construction, Army: Appropriates \$148,407,000 instead of \$147,042,000 as proposed by the House and \$169,816,000 as proposed by the Senate.

The conferees have approved the items as proposed by the House with the reductions as proposed by the Senate and the following additional items:

Army:

|   |             |
|---|-------------|
| Aberdeen Proving Ground, Md.:   |             |
| Station hospital  | \$2,745,000 |
| Hospital heating plant  | 155,000     |
| White Sands missile range, N. Mex.: Electric power installation         | 960,000     |
| Atlanta General Depot, Ga.: Aircraft maintenance shop                   | 365,000     |
| Fort Monmouth, N.J.: Climatic test chamber                              | 550,000     |
| Fort Eustis, Va.:   |             |
| Barracks  | 384,000     |
| Training command headquarters building                                  | 711,000     |
| Walter Reed Army Medical Center, District of Columbia: Service building | 788,000     |
| Fort Benning, Ga.:  |             |
| Battalion headquarters and classroom buildings                          | 552,000     |
| Dispensary and dental clinic  | 384,000     |
| Fort Rucker, Ala.: Aircraft facilities                                  | 1,685,000   |
| Fort Bliss, Tex., BOQ   | 1,283,000   |
| Fort Sill, Okla.:   |             |
| BOQ   | 2,379,000   |
| Electrical facilities   | 186,000     |
| Fort Leavenworth, Kans.: BOQ  | 329,000     |



The conferees are in agreement that the funds approved for Fort Rucker, Ala., are to be used to complete auxiliary field number 3 before utilizing any funds for the initiation of construction on any other auxiliary field.

Amendment No. 3—Military construction, Navy: Appropriates \$162,519,000 instead of \$156,459,000 as proposed by the House and \$166,583,000 as proposed by the Senate. The conferees have approved the items as proposed by the House with the reductions as proposed by the Senate and the following additional items:

Navy:  
NOBSY, Flagstaff, Ariz.: Telescope facility..... \$1,900,000  
NS, San Diego, Calif.: Nuclear submarine pier..... 1,700,000  
MCRD, Parris Island, S.C.: Recruit barracks..... 1,203,000  
MCS, Quantico, Va.: Combat conditioning facilities..... 505,000  
NSC, Athens, Ga.: Dispensary and land..... 193,000  
NTC, Great Lakes, Ill.: Recruit barracks..... 1,192,000

Amendment No. 4—Military construction, Air Force: Appropriates \$609,501,000 instead of \$518,644,000 as proposed by the House and \$656,400,000 as proposed by the Senate. The conferees have approved the items as proposed by the Senate. The conferees have approved the items as proposed by the House with the reductions as proposed by the Senate and the following additional items:

Air Force:  
Maintenance docks..... \$7,531,000  
Titan facilities..... 70,000,000  
Hanscom Field, Mass.: Electronic laboratory..... 870,000  
Kirtland AFB, N. Mex.: Nuclear warfare laboratory..... 1,580,000  
Keesler AFB, Miss.: Technical training facilities..... 2,430,000  
Lackland AFB, Tex.: Dormitories..... 1,443,000  
Moody AFB, Ga.: Shop and training facilities..... 1,389,000  
Reese AFB, Tex.: Flight simulator training facility..... 268,000  
Gunter AFB, Ala.: Dormitory..... 376,000  
Maxwell AFB, Ala.: Dormitory..... 428,000  
Dow AFB, Maine: Medical facility..... 1,787,000  
Francis E. Warren AFB, Wyo.: Apron rehabilitation..... 445,000  
Crystal Springs, Miss.: Family housing..... 459,000  
Rehabilitation of family housing..... 500,000  
Howard AFB, Canal Zone..... 1,558,000  
Bomarc support facilities..... 2,500,000

#### MILITARY CONSTRUCTION, AIR FORCE

Amendment No. 5—Military construction, Air Force: Reported in disagreement.

Amendment No. 6—Military construction, Army Reserve: Appropriates \$16,088,000 as proposed by the Senate instead of \$12,000,000 as proposed by the House.

Amendment No. 7—Military construction, Army National Guard: Appropriates \$17,540,000 as proposed by the Senate instead of \$8,000,000 as proposed by the House.

Amendment No. 8—Military construction, Air National Guard: Appropriates \$13,850,000 as proposed by the Senate instead of \$7,000,000 as proposed by the House.

Amendment No. 9—General provisions: Deletes language proposed by the Senate.

Amendment No. 10—General provisions: Changes section number.

HARRY R. SHEPPARD,  
CLARENCE CANNON,  
CHARLES R. JONAS,  
JOHN TABER,

*Managers on the Part of the House.*

Mr. SHEPPARD. Mr. Speaker, the conference report provides \$994,855,000 for the military construction program. This is \$193,145,000 below the budget estimates; \$72,372,000 below the Senate bill, and \$118,710,000 above the House bill. The specific items added to the House bill are listed in the statement of the managers. The bill includes \$70 million for additional facilities for the Titan ballistic missile. This estimate was not considered by the House. The House conferees accepted the Senate increases for the Army Reserve and Army National Guard construction programs as well as those for the Air National Guard.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Iowa.

Mr. GROSS. The figure in the conference report is \$118,710,000 above the House bill. Will the gentleman explain where that money is being expended and for what purposes?

Mr. SHEPPARD. There was a series of increases. If the gentleman will check the conference report he will find them listed in detail. If the gentleman insists on going through the entire list, I will be glad to.

Mr. GROSS. No, I do not insist on that, but the increase above the House figure is a substantial amount. I just wondered if the chairman could tell us briefly where this increase is going.

Mr. SHEPPARD. The major item is \$70 million for additional facilities in support of the Titan ballistic missile program.

This item was submitted to the Senate by the Department of Defense after House action on the bill.

Mr. JONAS. If the gentleman will yield, I will be glad to give the gentleman from Iowa a copy of the conference report. The items about which he asks are listed there.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Ohio.

Mr. McCULLOCH. I am led to believe from meager available information that the committee of conference, pursuant to the urging of the other body, included an item of \$182,000 for a military reserve center at Troy, Ohio. May I ask the gentleman from California if that item was in the bill when it passed the House?

Mr. SHEPPARD. That was not in the bill as it passed the House. It is, however, in the conference committee report.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to. The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 1, line 8, insert the following:

#### "MILITARY CONSTRUCTION

"For construction as authorized by title IV of the Act of June 8, 1960 (Public Law 86-500), to remain available until expended, not to exceed \$20,000,000, to be derived by

transfer from funds available to the Office of the Secretary of Defense for advanced research projects."

Mr. SHEPPARD. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 2, line 6, insert the following: *Provided*, That the words "solar furnace" under this head in the Military Construction Appropriation Act, 1959, are amended to read "solar facilities."

Mr. SHEPPARD. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1961—CONFERENCE REPORT

Mr. THOMAS. Mr. Speaker, I call up the conference report on the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes, and I ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk proceeded to read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT (H. REPT. NO. 2063)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 7, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 45, 49, 54, 62, 74, and 75.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 21, 40, 41, 43, 48, 51, 57, 58, 60, 68, 69, 70, and 76, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert: "Provided, That contracts for not to exceed two persons under this appropriation for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), may be renewed annually, and one such contract, for the services of an expert or consultant for telecommunications, may provide for a per diem rate of not to exceed \$75"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$16,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "of which not to exceed \$6,000,000 shall become available on January 1, 1961, for allocation to the States pursuant to section 205 of said Act"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$9,175,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,392,500"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$65,000,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$19,405,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$373,064,000"; and the Senate agree to the same.

Amendment numbered 13½: That the House recede from its disagreement to the amendment of the Senate numbered 13½, and agree to the same with an amendment, as follows: In lieu of the figure proposed by said amendment insert "six"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$163,250,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$165,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$13,085,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,663,500"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amend-

ment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,507,500"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$165,075,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$165,441,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$15,105,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$20,031,100"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$38,326,500"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$6,375,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$21,000,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,978,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$13,150,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$20,000,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$20,138,500"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$5,375,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$621,453,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$10,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$175,800,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,912,500"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$31,528,400"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$34,500,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$21,500,000"; and the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,330,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$503,500"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,550,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 12, 18, 23, 44, 47, and 52.

ALBERT THOMAS,  
SIDNEY R. YATES,  
CLARENCE CANNON,  
HAROLD C. OSTERTAG,  
JOHN TABER,

*Managers on the Part of the House.*

WARREN G. MAGNUSON,  
LISTER HILL,  
ALLEN J. ELLENDER,  
A. WILLIS ROBERTSON,  
SPESSARD L. HOLLAND,  
CLINTON P. ANDERSON,  
GORDON ALLOTT,  
LEVERETT SALTONSTALL,  
MILTON B. YOUNG,

*Managers on the Part of the Senate.*



## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

## TITLE I

*Executive Office of the President**Office of Civil and Defense Mobilization*

Amendment No. 1: Reported in disagreement.

Amendment No. 2: Appropriates \$24,700,000 for salaries and expenses as proposed by the House instead of \$25,200,000 as proposed by the Senate.

Amendment No. 3: Deletes limitation language relating to the Interdepartmental Radio Advisory Committee as proposed by the Senate.

Amendment No. 4: Provides for the employment of 2 consultants instead of one as proposed by the House and four as proposed by the Senate.

Amendment Nos. 5 and 6: Appropriate \$16,000,000 for the Federal contribution program instead of \$10,000,000 as proposed by the House and \$22,000,000 as proposed by the Senate; and provide that \$6,000,000 shall not become available until January 1, 1961, for matching grants for personnel and administrative expenses of State and local civil defense organizations as authorized by section 205 of Public Law 85-606, instead of prohibiting funds for such purpose as proposed by the House and providing \$12,000,000 as proposed by the Senate.

Amendment No. 7: Deletes language proposed by the Senate relating to ratification of certain past expenditures under this appropriation head.

Amendment No. 8: Appropriates \$9,175,000 for emergency supplies and equipment instead of \$6,950,000 as proposed by the House and \$11,400,000 as proposed by the Senate.

*Independent offices**Civil Aeronautics Board*

Amendment No. 9: Appropriates \$7,392,500 for salaries and expenses instead of \$7,285,000 as proposed by the House and \$7,500,000 as proposed by the Senate.

Amendment No. 10: Appropriates \$65,000,000 for payments to air carriers instead of \$60,000,000 as proposed by the House and \$68,984,000 as proposed by the Senate. The conferees agree with the statement contained in the Senate report relating to the need to reverse the trend of increased subsidy payments to air carriers. The Board should examine carefully and critically some of the administrative costs and allowances that make up expenses of the carriers. The amount of profit allowed the carriers by the Board is apparently being increased above the present 8 percent level. Careful consideration should be given to the granting of any increase, as other Government agencies allow only a 6 percent rate of return.

*Civil Service Commission*

Amendment No. 11: Appropriates \$19,405,000 for salaries and expenses instead of \$19,230,000 as proposed by the House and \$19,580,000 as proposed by the Senate.

Amendment No. 12: Reported in disagreement.

*Federal Aviation Agency*

Amendment No. 13: Appropriates \$373,064,000 for operating expenses instead of \$365,245,000 as proposed by the House and \$380,883,000 as proposed by the Senate.

Amendment No. 13½: Authorizes the purchase of six aircraft instead of five as proposed by the House and seven as proposed by the Senate.

Amendment No. 14: Appropriates \$163,250,000 for the establishment of air navigation facilities instead of \$152,500,000 as proposed by the House and \$174,000,000 as proposed by the Senate.

*Federal Communications Commission*

Amendment No. 15: Inserts travel limitation as proposed by the Senate and authorizes \$165,000 instead of \$172,000 as proposed by the Senate.

Amendment No. 16: Appropriates \$13,085,000 for salaries and expenses instead of \$12,935,000 as proposed by the House and \$13,135,000 as proposed by the Senate.

*Federal Power Commission*

Amendment No. 17: Appropriates \$7,663,500 for salaries and expenses instead of \$7,532,000 as proposed by the House and \$7,795,000 as proposed by the Senate.

Amendment No. 18: Reported in disagreement.

*Federal Trade Commission*

Amendment No. 19: Appropriates \$7,507,500 for salaries and expenses instead of \$7,415,000 as proposed by the House and \$7,600,000 as proposed by the Senate. Special attention should be given to textile-labeling activities until the program gets organized.

*General Services Administration*

Amendment No. 20: Appropriates \$165,075,000 for operating expenses of the Public Buildings Service instead of \$160,850,000 as proposed by the House and \$169,300,000 as proposed by the Senate.

Amendment No. 21: Inserts technical language as proposed by the Senate.

Amendment No. 22: Appropriates \$165,441,000 for construction of public buildings projects instead of \$144,836,000 as proposed by the House and \$171,980,000 as proposed by the Senate.

Amendment No. 23: Reported in disagreement.

Amendment No. 24: Authorizes \$633,250 for the project at Camden, Arkansas, as proposed by the House instead of \$655,050 as proposed by the Senate.

Amendment No. 25: Authorizes \$37,286,100 for the project at San Francisco, California, as proposed by the House instead of \$38,296,900 as proposed by the Senate.

Amendment No. 26: Authorizes \$7,636,400 for the project at Hartford, Connecticut, as proposed by the House instead of \$7,816,400 as proposed by the Senate.

Amendment No. 27: Authorizes \$1,094,000 for the project at Thomasville, Georgia, as proposed by the House instead of \$1,119,600 as proposed by the Senate.

Amendment No. 28: Authorizes \$284,750 for the project at Van Buren, Maine, as proposed by the House instead of \$297,550 as proposed by the Senate.

Amendment No. 29: Authorizes \$254,150 for the project at Vanceboro, Maine, as proposed by the House instead of \$261,150 as proposed by the Senate.

Amendment No. 30: Authorizes \$874,650 for the project at Detroit, Michigan, as proposed by the House instead of \$895,050 as proposed by the Senate.

Amendment No. 31: Authorizes \$586,500 for the project at Sweetgrass, Montana, as proposed by the House instead of \$615,600 as proposed by the Senate.

Amendment No. 32: Authorizes \$3,224,050 for the project at Bismarck, North Dakota, as proposed by the House instead of \$3,283,050 as proposed by the Senate.

Amendment No. 33: Authorizes \$3,867,700 for the project at Toledo, Ohio, as proposed by the House instead of \$3,980,700 as proposed by the Senate.

Amendment No. 34: Authorizes \$9,587,150 for the project at Memphis, Tennessee, as proposed by the House instead of \$10,167,150 as proposed by the Senate.

Amendment No. 35: Authorizes \$282,200 for the project at Dayton, Washington, as proposed by the House instead of \$288,700 as proposed by the Senate.

Amendment No. 36: Inserts Senate language and authorizes \$15,105,000 for Federal Office Building Numbered Eight in the District of Columbia instead of \$15,794,000 as proposed by the Senate.

Amendment No. 37: Inserts Senate language and authorizes \$20,031,100 for Federal Office Building Numbered Nine in the District of Columbia instead of \$21,222,100 as proposed by the Senate.

Amendment No. 38: Inserts Senate language and authorizes \$38,326,500 for Federal Office Building Numbered Ten in the District of Columbia instead of \$40,803,500 as proposed by the Senate.

Amendment No. 39: Inserts Senate language and authorizes \$6,375,000 for the United States Court of Claims and Court of Customs and Patent Appeals building in the District of Columbia instead of \$6,491,000 as proposed by the Senate.

Amendment No. 40: Authorizes the limits of costs for a project to be exceeded by not to exceed 10 per centum as proposed by the Senate instead of 5 per centum as proposed by the House.

Amendment No. 41: Inserts Senate language in this paragraph, instead of under sites and expenses as proposed by the House, authorizing \$5,500,000 for the project at Chicago, Illinois.

Amendment No. 42: Appropriates \$21,000,000 for sites and expenses for public buildings projects instead of \$25,000,000 as proposed by the House and \$19,500,000 as proposed by the Senate.

Amendment No. 43: Deletes House language as proposed by the Senate.

Amendment No. 44: Reported in disagreement.

Amendment No. 45: Deletes item proposed by the Senate for \$3,800,000 for the construction of relocation facilities.

Amendment No. 46: Appropriates \$3,978,000 for operating expenses of the Federal Supply Service instead of \$3,716,500 as proposed by the House and \$4,240,000 as proposed by the Senate.

Amendment No. 47: Reported in disagreement.

Amendment No. 48: Deletes language requiring certain miscellaneous reimbursements to be promptly deposited into the Treasury as proposed by the Senate.

Amendment No. 49: Deletes Senate language for an appropriation of \$100,000 for the working capital fund.

Amendment No. 50: Authorizes \$13,150,000 for the administrative operations fund instead of \$13,000,000 as proposed by the House and \$13,300,000 as proposed by the Senate.

Amendment No. 51: Strikes out language relating to extension and conversion projects as proposed by the Senate.

Amendment No. 52: Reported in disagreement. The language proposed by the Senate relative to allowing local governmental units a reasonable period of time in which to perfect a comprehensive and coordinated plan of use and procurement for surplus real estate and buildings is not a direction for the General Services Administration to take just any price for such properties.

*Housing and Home Finance Agency*

Amendment No. 53: Appropriates \$20,000,000 for housing for the elderly instead of \$5,000,000 as proposed by the House and \$50,000,000 as proposed by the Senate.

Amendment No. 54: Deletes Senate language earmarking \$150,000 for housing for

the benefit of elderly persons who are members of an Indian tribe.

#### *Interstate Commerce Commission*

Amendment No. 55: Appropriates \$20,138,500 for salaries and expenses instead of \$19,777,000 as proposed by the House and \$20,500,000 as proposed by the Senate.

#### *National Aeronautics and Space Administration*

Amendment No. 56: Authorizes \$5,375,000 for expenses for travel instead of \$4,900,000 as proposed by the House and \$5,849,000 as proposed by the Senate.

Amendment No. 57: Approximates \$170,760,000 for salaries and expenses as proposed by the Senate instead of \$166,500,000 as proposed by the House.

Amendment No. 58: Authorizes the purchase of sixty passenger motor vehicles as proposed by the Senate instead of forty-five as proposed by the House.

Amendment No. 59: Appropriates \$621,453,000 for research and development instead of \$602,240,000 as proposed by the House and \$671,453,000 as proposed by the Senate.

Amendment No. 60: Appropriates \$122,787,000 as proposed by the Senate instead of \$107,275,000 as proposed by the House.

Amendment No. 61: Inserts Senate language and authorizes \$10,000 for scientific consultations and any emergency or extraordinary expense instead of \$20,000 as proposed by the Senate.

#### *National Capital Housing Authority*

Amendment No. 62: Restores House language providing an appropriation of \$40,000 for operation and maintenance of properties.

#### *National Science Foundation*

Amendment No. 63: Appropriates \$175,800,000 for salaries and expenses instead of \$160,000,000 as proposed by the House and \$191,600,000 as proposed by the Senate.

#### *Securities and Exchange Commission*

Amendment No. 64: Appropriates \$8,912,500 for salaries and expenses instead of \$8,525,000 as proposed by the House and \$9,300,000 as proposed by the Senate.

#### *Selective Service System*

Amendment No. 65: Appropriates \$31,528,400 for salaries and expenses instead of \$30,278,400 as proposed by the House and \$32,778,400 as proposed by the Senate.

#### *Veterans' Administration*

Amendments Nos. 66 and 67: Appropriate \$34,500,000 for medical administration and miscellaneous operating expenses instead of \$30,000,000 as proposed by the House and \$39,000,000 as proposed by the Senate; and earmark \$21,500,000 for medical research instead of \$17,000,000 as proposed by the House and \$26,000,000 as proposed by the Senate.

#### **TITLE II—CORPORATIONS**

##### *Federal Home Loan Bank Board*

Amendment No. 68: Authorizes \$8,341,000 for nonadministrative expenses as proposed by the Senate instead of \$8,141,000 as proposed by the House.

Amendment No. 69: Authorizes \$800,000 for administrative expenses of the Federal Savings and Loan Insurance Corporation as proposed by the Senate instead of \$787,500 as proposed by the House.

Amendment No. 70: Deletes House language placing a limitation on nonadministrative expenses of the Federal Savings and Loan Insurance Corporation as proposed by the Senate.

##### *Housing and Home Finance Agency*

Amendment No. 71: Authorizes \$1,330,000 for administrative expenses for college housing loans instead of \$1,260,000 as proposed by the House and \$1,400,000 as proposed by the Senate.

Amendment No. 72: Authorizes \$503,500 for administrative expenses for public facility loans instead of \$477,000 as proposed by the House and \$530,000 as proposed by the Senate.

Amendment No. 73: Authorizes \$8,550,000 for administrative expenses of the Federal Housing Administration instead of \$8,450,000 as proposed by the House and \$8,650,000 as proposed by the Senate.

Amendment No. 74: Restores House language authorizing \$50,000,000 for nonadministrative expenses of the Federal Housing Administration instead of language proposed by the Senate.

Amendment No. 75: Deletes language proposed by the Senate to authorize nonadministrative expenses for the Federal Housing Administration up to 15 per centum in excess of the amount specified in the bill on a contingent basis.

#### **TITLE III—GENERAL PROVISIONS**

Amendment No. 76: Deletes House language as proposed by the Senate requiring that committees of expert examiners and boards of civil service examiners be included within the limitation on employees engaged in personnel work.

ALBERT THOMAS,  
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*Managers on the Part of the House.*

Mr. THOMAS (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I ask the gentleman if he will explain the bill.

Mr. THOMAS. I will do my best.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, I will attempt briefly to explain the conference report. May I say I hope it meets with the approval of the House. I doubt if there are very many items that will give us too much concern.

The budget estimate was for 22 independent offices, and in round figures it was \$8,400 million. We cut the budget about \$235 million. When it came to the other body, the other body added about \$275 million over and above the budget estimate. Then we went to conference, and there are 77 items in disagreement; 70 of them are in the conference report. We bring only seven items in technical disagreement. In fact, there are really no items in disagreement.

I will state to the gentleman from Iowa [Mr. Gross] that we have completed our conference, and we compromised and reduced the figure of the other body by about 55 percent.

If there are no further questions on the conference report—

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Tennessee.

Mr. EVINS. I want to commend my chairman, the gentleman from Texas, on doing an excellent job, as he always does. I notice the position of the House

has been receded in about 20 different instances. I am principally concerned at this time about the public buildings program. Funds for some five or six additional new buildings in the District of Columbia are being provided. It appears to many that the District is already saturated with Federal public buildings under construction. I wonder if we might be able to reduce some of the expenditures for public buildings in the District of Columbia.

Mr. THOMAS. I will say to the distinguished gentleman who serves on this subcommittee and knows about as much about this bill as I do or anybody else—he is a hardworking Member—we had three of these buildings in our bill when it left the House. At that time they were subject to a point of order. They had to be approved, not by the House of Representatives or the other body but by the appropriate legislative committee of the House and the appropriate legislative committee of the Senate, and there was a little disagreement between the two committees. Now they have all agreed, and there are four of these buildings in here at a total cost of in the neighborhood of \$79 million.

There is no question about it; it is a lot of money. Your committee, as you will recall, reduced construction costs on these projects by 15 percent, and on one building it was reduced from \$23 million to \$15 million.

I join my friend in the thought that this building program in the District of Columbia has been sufficiently saturated to last a few years.

Mr. EVINS. Mr. Speaker, will the gentleman yield further?

Mr. THOMAS. I yield.

Mr. EVINS. I notice the conference report states that the funds for this building program have been increased from \$144 million to \$165 million, and in addition there is a provision which allows an overrun of 10 percent instead of 5 percent as recommended by the House. Will this provision permit contractors to expend 10 percent more money than the estimated cost?

Mr. THOMAS. No; it is not an overrun. You recall we put in 5 percent within the sum of money appropriated. We gave our distinguished friend Mr. Floete, whom we all admire and who is one of the finest administrators in the entire Government service. We allowed him certain latitude. If he can reduce a project below the figure we have allowed, and should need a little more for another project up to 10 percent, that is all right. But he always has to remain within the sum appropriated.

Mr. EVINS. I commend my friend and am glad to have his explanation.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I would like to say to the chairman of the Independent Offices Subcommittee that there is one item with which I am concerned and with which I think the membership of the House ought to be concerned, and that is the creation of a new division within the Federal Communications Commission



established primarily for the purpose of monitoring TV performances. When the FCC appeared before the Independent Offices Subcommittee there was no testimony with reference to this item. There was no request by the FCC for additional employees to monitor the entire TV area. When the FCC Chairman and his staff came before the Senate Committee on Independent Offices they requested the creation of 25 additional jobs and the appropriation of an additional \$300,000 for the purpose of monitoring TV programs.

I think the setting up of a monitoring unit is a dangerous precedent to establish. I do not think that any governmental bureaucratic monitoring unit is going to improve television in any respect. It will not improve the scripts, and it will not make better shows. In my judgment I think the public itself is best able to judge precisely what it wants; I do not think the Federal Government ought to go into the field of telling people precisely what they ought to have.

Frankly, I think it is inspired by the fact that the FCC is concerned over the criticism it has received in the past couple of years and now they are tumbling over each other before the country and the Congress to show they are now doing something.

I think it is bad practice. I hope that the FCC will be careful to guard against any form of censorship; when this new section is set up.

Mr. Speaker, I rise in support of the conference report on the omnibus rivers and harbors authorization bill. I am very grateful to the House conferees for accepting the Senate committee's inclusion of flood control proposals for the Chicopee River Basin and the Westfield River watershed. These projects will be of vital importance to my congressional district, which has suffered terrific losses in the past from the floods on the Connecticut, Chicopee, and Westfield Rivers.

Earlier this year I had introduced a bill, H.R. 11470, to provide for flood control measures in the Chicopee River Basin, based upon the recommendations of the Army Corps of Engineers and the Board of Engineers for Rivers and Harbors. The omnibus authorization bill had already passed the House, last year as a matter of fact, and was pending in the Senate Public Works Committee when the Army Engineers made the recommendations. I testified in behalf of my bill when the Senate committee held its public hearings, and asked that these projects be included. The Senators were kind enough to accede to my request.

Mr. Speaker, my bill calls for the construction of a dam and reservoir on Conant Brook, 2 miles southeast of Monson, Mass., at an estimated cost of \$2,060,000; construction of local protective works on the Chicopee River at Chicopee Falls, Mass., at an estimated cost of \$1,860,000; and construction of local protective works on the Chicopee, Ware, and Quaboag Rivers in Palmer, Mass., at an estimated cost of \$1,260,000. Again, I want to thank members of the House-Senate conference for including these projects in the omnibus authorization bill.

Mr. THOMAS. Mr. Speaker, our very able and genial colleague from Massachusetts always makes a good statement and certainly he has just made one. We discussed this matter before we went to conference. I may say that I was almost of the same opinion that the gentleman from Massachusetts [Mr. BOLAND] was. We talked with gentlemen in the other body and they assured us—if you will get their report and read it you will understand—and they came out and said flatly not one penny of this money will be spent for censorship. There is not a cent in here for censorship. I see the gentleman from Arkansas [Mr. HARRIS], of much fame, sitting here. I understand he is interested in this matter. His committee also urged that we adopt or go along to some degree with the Senate in this matter.

I agree with the gentleman from Massachusetts to a large extent that it should not be permanent because if it is permanently necessary our beloved chairman of the Committee on Interstate and Foreign Commerce, the gentleman from Arkansas [Mr. HARRIS] ought to write some more legislation. This is not a new precedent by any means. The Federal Trade Commission has been monitoring a few programs around the clock for 18 months or 2 years. This is simply eyes and ears to see what is going on, to see if this law that these gentlemen are trying to pass is correct. I will join the gentleman that we will not let them go wild.

Mr. BOLAND. There is nothing more permanent than temporary employees in the Government service.

Mr. THOMAS. And the gentleman is helping all the time to reduce agencies.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present. I would like to know what is going on.

The SPEAKER. I think the gentlemen who are explaining the bill should take the well of the House.

Mr. HOFFMAN of Michigan. Mr. Speaker, I withdraw the point of order.

Mr. BOLAND. Mr. Speaker, I wonder what the other body would have done with this particular request if a request by some agency to establish a similar compliance division for newspapers had been suggested?

Mr. THOMAS. Of course, as the gentleman knows, they have no jurisdiction over newspapers.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Kansas.

Mr. AVERY. I want to comment on the same item in the report as did the gentleman from Massachusetts. I cannot agree that the precedent of monitoring commercials by the Federal Trade Commission is any justification for commencing a new precedent of monitoring TV programs content. The FTC is not concerned with programs; they are concerned with commercials only. You can say the monitoring is not censorship, but I do not think anybody can argue persuasively there is a distinct difference between monitoring and censorship. Monitoring is only the first step.

Mr. THOMAS. Let us go on with this conference report. We cannot seriously disagree with the gentleman's point of view, and we are not. I will give you my word, and to the gentleman from Massachusetts as well, we are not going to let them run hog wild on this program. It looks to me like it should be reduced a little bit in 1 or 2 years. Your point of view and ours is not too far apart.

Mr. AVERY. There is no hearing record on the part of the House that would substantiate this request; is that correct?

Mr. THOMAS. I listened to the very able debate by the gentleman's distinguished committee. There was plenty of argument on both sides. I thought maybe we were holding the hand of your distinguished committee and backing you up a little.

Mr. AVERY. The gentleman does not want to leave the inference that our distinguished chairman had suggested this item should be agreed to on the part of the House conferees?

Mr. THOMAS. I see your distinguished chairman in the front row, and I will let him speak for himself.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Tennessee.

Mr. EVINS. One of the purposes of this appropriation is to provide a check on performance of programs which they promised. Legislation permits of a certain type of program, and the employees of FCC will check to see that the law is complied with. I see nothing wrong with that, in view of the fact that there has been so much evidence of payola, rigging of quiz programs, and other unwholesome practices in broadcasting that have been going on, and I personally support the appropriation for the checking and correction of these practices. I hope that the conference report will be adopted.

Mr. THOMAS. I thank the gentleman for his great contribution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. May I ask the gentleman if those two buildings that were taken out of the appropriation bill on the point of order—

Mr. THOMAS. By the Gross point of order; yes, sir.

Mr. GROSS. Well, that is a pretty good point of order, I will say.

Mr. THOMAS. No argument on that point.

Mr. GROSS. Are they provided for in this bill; the buildings?

Mr. THOMAS. Yes; they are.

Mr. GROSS. Well, let me ask the gentleman if the amendment on page 16 of the bill still prevails.

Mr. THOMAS. They are provided for in this bill; the four of them.

Mr. GROSS. Well, are they in there under this language: "subject to the provision of any such approval adopted by the Committee on Public Works."

Mr. THOMAS. That approval has been granted, and we will give you the dates of the two bodies, the other body

and our own body. The language is in the bill, and it was put in by the other body, and, as a matter of ultraprecaution, we did not strike it out.

Mr. GROSS. So the authorizing language has gone through?

Mr. THOMAS. Yes.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. On this monitoring provision, has the gentleman consulted the gentleman from California [Mr. Moss]? I am asking in good faith.

Mr. THOMAS. No; we have not.

Mr. HOFFMAN of Michigan. For more than 4 years he has been chairman of the subcommittee asking the departments for information. Just a couple of weeks ago, we put through a bill which enabled the Commissioner to monitor information which we should have as to a certain project. What is going to be the effect now if you get this in? Are the findings of the Moss committee, which are valuable, to be disregarded?

Mr. THOMAS. May I say to our beloved friend, it was my understanding that the gentleman from California [Mr. Moss] was more or less concerned with the agencies' withholding information in the form of printed releases.

Mr. HOFFMAN of Michigan. Is that true with the newspapers? They were the ones that were pushing that issue. Here, if I get it right, you want the right, or this Commission, to have the authority of monitoring; is that right? Does that mean suppressing?

Mr. THOMAS. Of course it does not.

Mr. HOFFMAN of Michigan. What does it mean?

Mr. THOMAS. It means you are giving them a little money to listen to the programs, and when they listen to them, that is all the authority they have, to be honest about it.

Mr. HOFFMAN of Michigan. If that is all there is to the legislation why pay anyone to listen?

Mr. HARRIS. Mr. Speaker, will the gentleman yield, since my name has been brought into this?

Mr. THOMAS. I will be delighted to.

Mr. HARRIS. Mr. Speaker, I can appreciate the concern of some people about providing additional employees, but the Federal Communications Act itself specifically prohibits censorship. You might call this compliance or monitoring or whatever you want to, but the fact remains that the Federal Trade Commission would tell us that in matters of this kind they have no jurisdiction; it is the jurisdiction of the Federal Communications Commission. The Federal Communications Commission would say "We do not have any agency personnel set up for this kind of program." Now, are we going to proceed with this kind of a procedure where no one has anything to say whether or not these matters of deceptive practices, and so forth, are to be looked into? That is all this does, and I think it should be approved.

Mr. THOMAS. I thank the gentleman.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is it not a fact that the very thing that is being questioned here today has been done ever since the act was put on the statute books?

Mr. THOMAS. Why, of course. The act specifically says there will be no censorship.

Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Speaker, as one of the conferees I should like to say that I believe we brought back a good and reasonable report. It is a sound compromise with the Senate on this important appropriation bill which covers funds of many independent agencies. I think it is important for us to bear in mind that this bill in its entirety as it was submitted by the budget amounted to \$8,417 million. The Senate increased it over the budget, but in resolving the differences of all these independent agencies, this conference report comes back to you \$151 million less than the Senate appropriation bill as passed by the other body. It is \$125 million over the bill as passed by the House. In this difference or increase over the original bill, you will find the restoration of funds for certain public buildings which have since been authorized. I think we have arrived at a sound and sane solution of all these items. I am pleased with the agreements reached with the conferees of the other body, and recommend the adoption of this conference report.

Mr. BROOKS of Louisiana. Mr. Speaker, if the gentleman will yield, can he tell me what is the total overall increase over the House bill in the appropriation for NASA?

Mr. THOMAS. Thirty-nine million dollars.

Mr. OSTERTAG. The amount as it comes back to us in this conference report is exactly the same as submitted by the budget. That is approximately \$39 million over the House Bill as we passed it.

Mr. BROOKS of Louisiana. Some amount was restored for salaries; is not that correct?

Mr. OSTERTAG. It was restored to the budget level. This is an increase of over \$4 million for this purpose, and I might add that funds have been restored for research and construction to the budget level. This totals about \$39 million.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. Yes.

Mr. YATES. As a matter of fact, I had a conference with the head of the Space Agency yesterday and he said that he thought the amount was satisfactory for his purposes.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Speaker, for the second time in this graduation season the press last Wednesday night reported a disgraceful incident which reflects, not on the great organization concerned, but on the training which some of our youth is receiving.

I refer to the action of a high school honor graduate about 2 weeks ago in refusing to accept the American Legion's good citizenship award because, he said, he could not respect its policies; and to the account of the exhibition of boorish conduct which on Wednesday greeted a similar award to a young man who is said to have an appointment to the U.S. Naval Academy.

What are these policies of the American Legion which some of our brightest youth proclaim that they cannot respect?

To uphold and defend the Constitution of the United States of America.

To maintain law and order.

To foster and perpetuate a 100-percent Americanism.

To inculcate a sense of individual obligation to the community, State, and Nation.

To combat the autocracy of both the classes and the masses.

To make right the master of might.

To promote peace and good will on earth.

To safeguard and transmit to posterity the principles of justice, freedom, and democracy.

I state as a general principle that any American should subscribe wholeheartedly and enthusiastically to those policies which I have just quoted. God help our country if the preservation of our way of life is ever entrusted to and depends on those who proclaim their disrespect for our country and for its Constitution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. I want to join with the gentleman from Tennessee [Mr. EVANS] in objecting to the program of spending millions upon millions of dollars for more buildings in the District of Columbia. I regret very much that the committee saw fit to put millions for that purpose in this bill after it was stricken when the bill was originally before the House.

Mr. THOMAS. We will try to hold it down in the future.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 12, insert the following: "not to exceed \$6,000 for emergency and extraordinary expenses to be expended under the direction of the Director for such purposes as he deems proper, and his determination thereon shall be final and conclusive; and not to exceed \$900,000 for expenses of travel;".

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.



The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the sum named therein insert \$2,500.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 6, line 22, insert the following: "and the Act of August 28, 1938 (49 Stat. 956), as amended by the Act of August 27, 1951 (65 Stat. 198), is hereby repealed."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 13, line 23, insert the following: "Provided, That the Commission is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place six General Schedule positions in the following grades: four in Grade GS-18, one in grade GS-17, and one in grade GS-16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said Act."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 16, line 18, insert the following: "subject to approval of any such project by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 44: Page 19, line 9, insert the following:

"CONSTRUCTION, FEDERAL OFFICE BUILDING NUMBERED 7, WASHINGTON, DISTRICT OF COLUMBIA

The appropriation contained in the Independent Offices Appropriation Act, 1959, under the head 'Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia' is hereby made available for expenses necessary for the preparation of plans and specifications for a building in Washington, District of Columbia, for use of agencies of the executive branch of the Government without provision of space for the United States Court of Claims."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 22, line 14, insert the following: *Provided further,*

That during the current fiscal year, there shall be no limitation on the value of surplus strategic and critical materials which, in accordance with section 6(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)), may be transferred to stockpiles established in accordance with said Act: *Provided further,*."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein with an amendment, as follows: After the word "transferred" insert "without reimbursement".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Page 26, line 9, insert the following: "In disposing of surplus real estate and buildings a reasonable period of time shall be allowed for local governmental units to perfect a comprehensive and coordinated plan of use and procurement."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

#### RIVER AND HARBOR AND FLOOD CONTROL ACT—CONFERENCE REPORT

Mr. DAVIS of Tennessee. Mr. Speaker, I call up the conference report on the bill (H.R. 7634), authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and I ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from Tennessee [Mr. DAVIS]?

There was no objection.

The conference report and statement are as follows:

#### CONFERENCE REPORT (H. REPT. No. 2064)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 24, 75, 101, 102, 103, 104, 124, 138, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 155, 156, 157, 158, 159, 160, 161, and 162.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 19, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 39, 40, 41, 43, 45, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59,

60, 61, 65, 66, 67, 68, 69, 70, 71, 73, 74, 76, 77, 78, 79, 80, 81, 82, 83, 86, 88, 89, 90, 91, 92, 94, 95, 100, 105, 106, 109, 110, 113, 114, 115, 118, 119, 120, 121, 123, 126, 127, 129, 130, 131, 132, 133, 134, and 140.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Rye Harbor, New Hampshire: House Document Numbered 439, Eighty-sixth Congress, at an estimated cost of \$238,000;"

And the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Freshwater Bayou, Louisiana: House Document Numbered 435, Eighty-sixth Congress, at an estimated cost of \$7,485,000;"

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Calcasieu River and Pass, Louisiana: House Document Numbered 436, Eighty-sixth Congress, at an estimated cost of \$16,992,000;"

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Texas City Channel, Texas: House Document Numbered 427, Eighty-sixth Congress, at an estimated cost of \$1,605,000;"

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Brazos Island Harbor, Texas: House Document Numbered 428, Eighty-sixth Congress, at an estimated cost of \$4,381,000;"

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: On page 5 of the Senate engrossed amendments, line 7, strike out "Report of the Chief of Engineers, dated June 1, 1960," and insert in lieu thereof "Senate Document Numbered 112, Eighty-sixth Congress,"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: On page 8 of the Senate engrossed amendments, lines 11 and 12, strike out "Report of the Chief of Engineers, dated May 27, 1960," and insert in lieu thereof "House Document Numbered 425, Eighty-sixth Congress,"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: On page 10 of the Senate engrossed amendments, lines 11, 12, and 13, strike out "preferably from among the State agencies cooperating with the Department of the Army"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: On page 15 of the Senate engrossed amendments, lines 1 and 2, strike out "heretofore or"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: On page 23 of the Senate engrossed amendments, lines 22, 23, and 24, strike out "Board of Engineers for Rivers and Harbors in its report dated May 6, 1960," and insert in lieu thereof "Chief of Engineers in House Document Numbered 441, Eighty-sixth Congress,"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows: On page 34 of the Senate engrossed amendments, line 18, strike out "at a cost not to exceed \$6,375,000" and insert in lieu thereof "at a Federal cost not to exceed \$4,500,000"; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows: On page 38 of the Senate engrossed amendments, line 5, strike out "his report dated June 13, 1960," and insert in lieu thereof "House Document Numbered 440, Eighty-sixth Congress,"; and the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows: On page 45 of the Senate engrossed amendments, on the next to the last line on that page, strike out "heretofore or"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment, as follows: On page 52 of the Senate engrossed amendments, line 9, strike out "209" and insert in lieu thereof "208"; and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Pithlachascotee River, Masaryktown, Anclote River, Lake Tarpon, Brooksville, and adjacent areas, Florida."

And the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows: On page 53 of the Senate engrossed amendments, line 18, strike out "210," and insert in lieu thereof "209,"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows: On page 54 of the Senate engrossed amendments, line 10, strike out "211," and insert in lieu thereof "210,"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with amendments, as follows: On page 54 of the Senate engrossed amendments, line 20, strike out "212," and insert in lieu thereof "211."

On page 55 of the Senate engrossed amendments, line 7, strike out "Act" and insert in lieu thereof "section"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment, as follows: On page 55 of the Senate engrossed amendments, line 20, strike out "214" and insert in lieu thereof "212"; and the Senate agree to the same.

Amendment numbered 152: That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment, as follows: On page 63 of the Senate engrossed amendments, line 2, strike out "IV" and insert in lieu thereof "III"; and the Senate agree to the same.

Amendment numbered 163: That the House recede from its disagreement to the amendment of the Senate numbered 163, and agree to the same with an amendment, as follows: On page 71 of the Senate engrossed amendments, lines 11 and 12, strike out:

"Sec. 411. Title IV of this Act may be cited as the 'Land Acquisition Policy Act of 1960'."

And insert in lieu thereof:

"Sec. 303. Title III of this Act may be cited as the 'Land Acquisition Policy Act of 1960'."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 15, 34, 44, 62, 63, 64, 84, 85, 87, 93, 96, 97, 98, 103, 111, 112, 116, 117, 153, and 154.

CLIFFORD DAVIS,

JOHN A. BLATNIK,

ROBERT E. JONES,

JOHN F. BALDWIN, Jr.,

WILLIAM C. CRAMER,

*Managers on the Part of the House.*

DENNIS CHAVEZ,

ROBERT S. KERR,

PAT McNAMARA,

FRANCIS CASE,

JOHN SHERMAN COOPER,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

#### NAVIGATION PROJECTS

The following Senate amendments added to the House-passed bill the following navigation projects. In every instance these projects were reported by the Corps of Engineers, cleared through the various executive agencies, and transmitted to Congress since the House acted upon the bill last year. The detailed report on each of these projects can be found in Senate Report numbered 1524 of this Congress. The House recedes with respect to each of these amendments: 1, 2, 3, 5, 6, 7, 8, 10, 11, 12, 13, 14, 16, 25, 26, 27, 28, 29, 30, 31, 32, and 33.

The navigation projects covered by these amendments are the following:

(1) Eastport Harbor, Maine: Senate Document Numbered 98, Eighty-sixth Congress, at an estimated cost of \$595,000.

(2) York Harbor, Maine: House Document Numbered 395, Eighty-sixth Congress, at an estimated cost of \$391,000.

(3) Pepperell Cove, Maine: House Document Numbered 284, Eighty-sixth Congress, at an estimated cost of \$170,000.

(5) Little Narragansett Bay and Watch Hill Cove, Rhode Island and Connecticut: House Document Numbered 396, Eighty-sixth Congress, at an estimated cost of \$98,000.

(6) Mamaroneck Harbor (East Basin), New York: House Document Numbered 209, Eighty-sixth Congress, at an estimated cost of \$105,000.

(7) Wilmington Harbor, Delaware: Senate Document Numbered 88, Eighty-sixth Congress, at an estimated cost of \$351,000.

(8) Ocracoke Inlet, North Carolina: House Document Numbered 408, Eighty-sixth Congress, at an estimated cost of \$4,623,000.

(10) Palm Beach Harbor, Lake Worth Inlet, Florida: House Document Numbered 283, Eighty-sixth Congress, at an estimated cost of \$4,980,000.

(11) Little Pass, Clearwater Bay, Florida: House Document Numbered 293, Eighty-sixth Congress, at an estimated cost of \$104,000.

(12) St. Marks River, Florida: House Document Numbered 224, Eighty-sixth Congress, at an estimated cost of \$1,711,000.

(13) Black Warrior, Warrior, and Tombigbee Rivers, Alabama, at Jackson lock and dam: House Document Numbered 50, Eighty-sixth Congress, at an estimated cost of \$120,000.

(14) Pascagoula Harbor, Mississippi: House Document Numbered 98, Eighty-sixth Congress, maintenance.

(16) Biloxi Harbor, Mississippi: House Document Numbered 271, Eighty-sixth Congress, at an estimated cost of \$326,000.

(25) Milwaukee Harbor, Wisconsin: House Document Numbered 285, Eighty-sixth Congress, at an estimated cost of \$38,000.

(26) Manistee Harbor, Michigan: House Document Numbered 358, Eighty-sixth Congress, at an estimated cost of \$1,735,000.

(27) Detroit River, Trenton Channel, Michigan: House Document Numbered 319, Eighty-sixth Congress, at an estimated cost of \$8,570,000.

(28) Fairport Harbor, Ohio: House Document Numbered 347, Eighty-sixth Congress, at an estimated cost of \$2,768,000.

(29) Rochester Harbor, New York: House Document Numbered 409, Eighty-sixth Congress, at an estimated cost of \$2,445,000.

(30) Los Angeles and Long Beach Harbors (West Basin), California: House Document Numbered 401, Eighty-sixth Congress, at an estimated cost of \$1,768,000.

(31) Monterey Harbor (Monterey Bay), California: House Document Numbered 219, Eighty-sixth Congress, at an estimated cost of \$3,989,000.

(32) Noyo River and Harbor, California: House Document Numbered 289, Eighty-sixth Congress, at an estimated cost of \$370,000.

(33) Snohomish River (Everett Harbor), Washington: House Document Numbered 348, Eighty-sixth Congress, at an estimated cost of \$3,011,000.

Amendment No. 4: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 9: This is a technical amendment only and its substance is repeated in Senate amendment numbered 14. The House recedes.

Amendment No. 15: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to cause an immediate study to be made of Pascagoula Harbor to determine whether further modification of the project is justified, and if modification is found to be justified by the Secretary of the Army, is approved by the President, and not disapproved by Congress within 60 days after submission of a report to Congress (such 60 days to run only when Congress is in session) then the project will be authorized.



Amendment No. 17: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 18: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 19: This amendment would strike out the navigation project on the Gulf Intracoastal Waterway, channel to Port Mansfield, Texas. This project is stricken because it has been authorized by separate legislation, Public Law 86-248. The House recedes.

Amendment No. 20: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 21: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 22: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 23: This amendment would authorize the Chief of Engineers to relocate the Illinois Central Railroad to the extent required by the construction of the Barkley Dam project in Kentucky so as to eliminate and prevent interference with and disturbance of municipal and private facilities in Lyon County, Kentucky, not otherwise affected by the construction of the project, substantially in accordance with alignment "D" shown on certain plans on file with the Chief of Engineers. The House recedes.

#### BEACH EROSION CONTROL

The following Senate amendments added to the House-passed bill the following beach erosion projects. In every instance these projects were reported by the Corps of Engineers, cleared through the various executive agencies, and transmitted to Congress since the House acted upon the bill last year. The detailed report on each of these projects can be found in Senate Report numbered 1524 of this Congress. The House recedes with respect to each of these amendments: 35, 36, 37, 39, 40, and 41.

The beach erosion projects covered by these amendments are the following:

(35) Wessagussett Beach, Weymouth, Massachusetts: House Document Numbered 334, Eighty-sixth Congress, at an estimated cost of \$132,000.

(36) Pemberton Point to Cape Cod Canal, Massachusetts: House Document Numbered 272, Eighty-sixth Congress, at an estimated cost of \$139,300.

(37) Cape Cod Canal to Provincetown, Massachusetts: House Document Numbered 404, Eighty-sixth Congress, at an estimated cost of \$178,000.

(39) New Jersey Coast from Barnegat Inlet to Cape May Canal, New Jersey: House Document Numbered 208, Eighty-sixth Congress, at an estimated cost of \$1,714,000.

(40) Presque Isle Peninsula, Erie, Pennsylvania: House Document Numbered 397, Eighty-sixth Congress, periodic nourishment.

(41) Orange County, Newport Bay to San Mateo Creek, California: House Document Numbered 398, Eighty-sixth Congress, at an estimated cost of \$256,000.

Amendment No. 34: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to cause an immediate study to be made of Hilo Harbor, Hawaii, to determine whether a project for tidal wave protection is justified, and if found to be justified by the Secretary of the Army, is approved by the President, and not disapproved by Congress within 60 days after submission of a report to Congress (such 60 days to run only when Congress is in session) then the project will be authorized.

Amendment No. 38: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 42: Senate amendment No. 42 would add a new section 103 to the bill which amends the last paragraph of section 2 of the River and Harbor Act of July 13, 1930.

The purpose of section 103 is to delete from section 2 of the 1930 act the requirements that civilian members of the Board be selected from among the State agencies cooperating with the Department of the Army and that their salaries be paid by their respective States. In lieu thereof, the proposed amendment provides that the civilian members of the Board shall be selected by the Chief of Engineers with regard to their special fitness in the field of beach erosion and shore protection. It is further provided that such civilian members shall be paid not in excess of \$100 per day for each day of attendance at Board meetings, not to exceed 30 days per annum, in addition to their traveling and other necessary expenses, which sums are to be paid by the Department of the Army.

In addition to attendance at Board meetings, members devote considerable time and effort in preparing for the meetings due to the increasing number, size, and complexity of projects being considered. Accordingly, the compensation of civilian members of the Board for attendance at Board meetings, which is provided for by this section, is considered to be just and reasonable.

In addition to the foregoing, changes in the 1930 act, this amendment also includes some desirable editorial changes.

The amendment agreed to by the committee of conference to Senate amendment No. 42, striking out the language "preferably from among the State agencies cooperating with the Department of the Army," is to make the language of the section more consistent with the basic purpose of the amendment and remove any implication of possible conflict of interest on the part of a member of the Board.

Amendment No. 43: This amendment adds a new section 104 to the bill.

The purpose of this amendment is to authorize the Secretary of the Army to donate and convey by quitclaim deed to the Ship Canal Authority of the State of Florida, all of the right, title, and interest of the United States in 6,175.21 acres of land acquired by condemnation proceedings in Putnam and Marion Counties, Fla., during the period 1930-35 to be used as right-of-way for the Atlantic-gulf ship canal project.

During the period 1930-35 the Ship Canal Authority of the State of Florida acquired 12,980 acres of land in its own name and at its own expense for conveyance to the United States for use in connection with the proposed Atlantic-gulf ship canal, authorized by the Emergency Relief Appropriation Act of 1935. The authorization required local interests to provide land required for the project purposes. However, the ship canal authority did not have the power of eminent domain and requested the United States to institute condemnation proceedings for the acquisition of those lands required for the project but which could not be acquired by direct purchase. In the condemnation proceedings the United States acquired title to 6,175.21 acres of land at a cost of \$71,700 which was paid by the ship canal authority.

Construction on the Atlantic-gulf ship canal project consisted of incomplete abutments, piers for a bridge, and canal excavations, performed by the United States as an emergency relief project at an aggregate cost of \$4,535,867. The canal project was modified and redesignated the cross Florida barge canal by the act of July 23, 1942. No funds have been appropriated for construction of the project since its authorization.

While not required for project purposes, a large portion of the land acquired by the United States has been leased for agricul-

tural and grazing purposes. Seventy-five percent of the funds received from such leasing is returned to the State of Florida for public purposes in the counties in which the land is situated. Several easements for road rights-of-way and right-of-way for an electric transmission line have been granted by the Department of the Army, during the time title to the land has been held by the United States. Some timber has also been sold from the land.

The Federal and State lands are interspersed. The cost of the management of the lands and other resources could be reduced if title were centralized in either the State or Federal Government. Since the ship canal project is now inactive, and the barge canal project would result in requiring a different area of land than that which would be required for the ship canal, transfer of the ship canal authority lands to the United States at this time is not justified. Further, the Florida Ship Canal Authority desires to sell those lands that will not be required for the modified barge canal project, and to use the funds to acquire new lands that will be required for the barge canal project.

The committee of conference believes this procedure advisable, and believes the language of section 104 adequately protects the interests of the Federal Government, and also gives the ship canal authority sufficient latitude to sell lands not required for the modified project. These required lands will remain readily available for reconveyance to the United States when needed, and construction heretofore performed will be maintained and preserved. The House recedes.

Amendment No. 44: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to cause an immediate study to be made of the Middle Decatur Bend of the Missouri River, to determine whether modification of the Missouri River project is justified, and if modification is found to be justified by the Secretary of the Army, is approved by the President, and not disapproved by Congress within 60 days after its submission to Congress (such 60 days to run only when Congress is in session) then the project will be authorized.

Amendment No. 45: This amendment adds a new section 106 to the bill.

The Hildebrand lock and dam on the Monongahela River above Morgantown, W. Va., is nearing completion. During construction of this project, the contractor improved an existing road to the vicinity of the damsite for access purposes and for delivery of material and supplies. Further improvement of the road is necessary to permit its use as a permanent access road to the completed project. An agreement has been reached between the Corps of Engineers and the West Virginia State Highway Department on this matter. It is believed that this amendment is necessary to permit the Corps of Engineers to make the necessary improvements to this road as a project feature of the Hildebrand lock and dam, and its use as a permanent access road to the project. The House recedes.

Amendment No. 46: This amendment adds a new section 107 to the bill.

Section 107 would authorize the Secretary of the Army to allot from river and harbor appropriations not to exceed \$2 million for any one fiscal year for construction of small river and harbor improvement projects not authorized by Congress, which will result in substantial benefit to navigation, when in the opinion of the Chief of Engineers such work is advisable. The section provides that not more than \$200,000 shall be allotted at any single locality for each fiscal year, that certain local cooperation provisions shall apply, and that the projects shall not commit the United States to any additional im-

provement, other than routine maintenance. The provisions would apply to low water access navigation channels from the existing channel of the Mississippi River to established harbor areas located along that stream.

The Corps of Engineers now has authority for construction of small flood control projects, with a limit on costs of \$400,000, without specific congressional authorization. It should have similar authority with respect to small navigation projects. In addition, the committee was advised of several locations on the Mississippi River where the river has moved away from established harbors, leaving grain elevators, wharves, and docks, without access to the river channel. Section 107 would provide the necessary authority to dredge and maintain a navigation channel from the channel in the Mississippi River to harbor areas heretofore or now established.

The new section includes the following criteria to insure that economic projects are selected, and to protect the Federal investment.

(1) The projects will be approved by the Chief of Engineers;

(2) Economic justification is required as for flood control projects;

(3) The allotment shall complete the Federal part of the project;

(4) Local interests are required to furnish lands, and in the discretion of the Chief of Engineers may be required to hold and save the United States free from damages, and provide additional requirements of local co-operation deemed necessary by the Chief of Engineers;

(5) The Chief of Engineers is authorized in his discretion to require non-Federal cost sharing because of the recreational or otherwise local nature of benefits;

(6) Projects constructed under this authority are to be considered as authorized projects for purposes of maintenance.

The conference committee amendment strikes out the words "heretofore or" for the purpose of insuring that only future appropriations will be available for the purposes of this section. The House recedes.

Amendment No. 47: This amendment added a new section 108 to the bill the purpose of which is to authorize the Secretary of the Army to convey surplus lands at water resource development projects to a State, political subdivision thereof, port district, port authority, or other body created by a State or through a compact created between two or more States, at the fair market value as determined by the Secretary, whenever he determines that the development of public port or industrial facilities will be in the public interest, will not interfere with the operation and maintenance of the project, and that the disposition of the property for these purposes will serve the objectives and purposes of the project within which the land is located. Where more than one applicant seeks the same land, the Secretary will give preference to the body whose intended use of the land would in his opinion best promote the purposes for which the project was authorized. Terms, conditions, reservations, and restrictions deemed necessary for development, maintenance, or operation of the project would be included in the deed of conveyance. Public notice would be given prior to conveyance of any land, and proceeds would be covered into the Treasury as miscellaneous receipts.

The Flood Control Act of 1944 authorizes the Chief of Engineers to construct, maintain, and operate public parks and recreational facilities in the Corps of Engineers reservoir areas, and to grant leases and licenses for park and recreational purposes, with preference to Federal, State, or local governmental agencies, which may also be granted use of property, without monetary consideration, for any public purpose whenever the Secretary of the Army determines

it to be in the public interest. The Secretary may grant leases for nonexcess property, and easements for rights-of-way across reservoir land, upon receipt of adequate consideration, when considered to be in the public interest. Public agencies frequently experience difficulty in selling bonds for construction of port or other facilities on leased property, as bondholders require that such agencies possess title in fee to the land on which their installations are to be located.

It has been the policy of the Corps of Engineers to review the requirements of the water resource development projects, and to make available any parts that can either be disposed of as no longer required, or leased when not required for the time being. Recognizing the benefits to be derived from public facilities at reservoir projects, their development by interested States and local agencies had been encouraged under leases granted pursuant to existing authority.

When land is no longer required for any departmental use it is reported to the General Services Administration for disposal or reassignment in accordance with the Federal Property and Administrative Services Act. Although that act authorizes the negotiated disposal of real property in specified circumstances, including sales to States and their political subdivisions, there is no authority to grant an absolute priority for the sale of real property to States and local agencies for port and industrial development. Section 108 would provide the Secretary of the Army with authority for that specific purpose. The House recedes.

Amendment No. 48: This amendment is of a technical nature. The House recedes.

#### NAVIGATION SURVEYS

The following Senate amendments added to the House-passed bill directed navigation surveys to be made at the following localities. The House recedes with respect to each of these amendments: 49, 50, 51, 52, 53, 54, 55, 56, and 57.

These amendments cover the following navigation surveys:

(49) Prospect Harbor, Maine.

(50) Channel across Santa Rosa Peninsula and Santa Rosa Island, Florida, to connect East Bay with Santa Rosa Sound and Little Sabine Bay with the Gulf of Mexico.

(51) Channel from vicinity of Avalon, Florida, to the waters of Escambia Bay.

(52) Little Bay De Noc, Michigan.

(53) Ship canal between Tacoma and Seattle, Washington.

(54) Point Roberts, Washington.

(55) Deep-water harbor in the Maalaea Bay Area, Island of Maui, Hawaii.

(56) Deep-water harbor at Kahaluu, Island of Oahu, Hawaii.

(57) Coastal waters, State of Hawaii, investigation of sites for possible use as anchorage areas for handling of explosives; areas of investigation to be designated by such State's Governor's Advisory Committee on Explosives.

Amendment No. 58: This amendment added a new section 110 to the bill. It abandons the project for a navigation channel in the Saint Jones River, Delaware, upstream from Lebanon, Delaware, and declares that river upstream from Lebanon, Delaware, not to be a navigable water of the United States within the meaning of the Constitution and laws of the United States. The House recedes.

Amendment No. 59: This is a technical renumbering amendment. The House recedes.

Amendment No. 60: This amendment is a technical amendment made necessary by the passage of time. The House recedes.

#### FLOOD CONTROL

The following Senate amendments added to the House-passed bill the following flood control projects. In every instance these

projects were reported by the Corps of Engineers, cleared through the various executive agencies, and transmitted to Congress since the House acted upon the bill last year. The detailed report on each of these projects can be found in Senate Report numbered 1524 of this Congress. The House recedes with respect to each of these amendments: 61, 65, 66, 67, 73, 74, 77, 78, 79, 80, 81, 82, 83, 89, 90, 91, 92, 95, 100, 105, 106, 109, 114, and 115.

The flood control projects covered by these amendments are the following:

#### (61) CONNECTICUT RIVER BASIN

##### (65) PAWCATUCK, CONNECTICUT

The project for hurricane-flood protection at Pawcatuck, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 212, Eighty-sixth Congress, at an estimated Federal cost of \$409,000.

##### (66) HOUSATONIC RIVER BASIN

The project for flood control dams and reservoirs on the Naugatuck River, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 372, Eighty-sixth Congress, at an estimated cost of \$10,230,000.

##### (67) STAMFORD, CONNECTICUT

The project for hurricane-flood protection at Stamford, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 210, Eighty-sixth Congress, at an estimated Federal cost of \$3,030,000 for construction, and at an estimated Federal cost of maintenance and operation of \$31,000 annually.

##### (73) LOWER MISSISSIPPI RIVER

The project for flood control and improvement of the lower Mississippi River, adopted by the Act of May 15, 1928 (45 Stat. 534), as amended and modified, is hereby further modified and expanded to include the following items of work and the authorization for said project is increased accordingly:

(74) (a) In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$50,000,000 to provide for the continued prosecution of the channel improvement feature of the project.

(77) The comprehensive plan for improvement of the Trinity River and tributaries, Texas, as authorized by the River and Harbor Act of 1945, is hereby modified to include the following projects:

(78) (a) The project for flood protection on Big Fossil Creek in the Richland Hills area, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 407, Eighty-sixth Congress, at an estimated cost of \$1,861,400.

(79) (b) Modification and extension of the Fort Worth Floodway on the West Fork of the Trinity River and tributaries, at Fort Worth, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 402, Eighty-sixth Congress, at an estimated cost of \$2,241,000.

##### (80) BRAZOS RIVER BASIN, TEXAS

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$21,000,000, for the prosecution of the comprehensive plan for the Brazos River Basin authorized by the Flood Control Act of September 3, 1954.

##### (81) RED-OUACHITA RIVER BASIN

The general plan for flood control and other purposes on Red River, Texas, Oklahoma, Arkansas, and Louisiana, below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, and amended and supplemented by subsequent Acts of Congress, is hereby further modified



to provide for additional improvements for flood control, drainage, and other purposes, substantially in accordance with the recommendations of the Chief of Engineers as follows:

(82)(a) McKinney Bayou, Arkansas and Texas: House Document Numbered 220, Eighty-sixth Congress, at an estimated cost of \$346,400.

(83)(b) Manlece Bayou, Arkansas: House Document Numbered 288, Eighty-sixth Congress, at an estimated cost of \$668,400.

(89) RIO GRANDE BASIN

The project for improvement of the Rio Grande Basin is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document Numbered 94, Eighty-sixth Congress, at an estimated cost of \$58,300,000.

The approval granted above shall be subject to the following conditions and limitations:

Cochiti Reservoir, Galisteo Reservoir, and all other reservoirs constructed by the Corps of Engineers as a part of the Middle Rio Grande project will be operated solely for flood control and sediment control, as described below:

(a) The outflow from Cochiti Reservoir during each spring flood and thereafter will be at the maximum rate of flow that can be carried at the time in the channel of Rio Grande through the middle valley without causing flooding of areas protected by levees or unreasonable damage to channel protective works: *Provided*, That whenever during the months of July, August, September, and October, there is more than two hundred twelve thousand acre-feet of storage available for regulation of summer floods and the inflow to Cochiti Reservoir (exclusive of that portion of the inflow derived from upstream flood-control storage) is less than one thousand five hundred cubic feet per second, no water will be withdrawn from storage in Cochiti Reservoir and the inflow derived from upstream flood-control storage will be retained in Cochiti Reservoir.

(b) Releases of water from Galisteo Reservoir and Jemez Canyon Reservoir during the months of July, August, September, and October, will be limited to the amounts necessary to provide adequate capacity for control of subsequent summer floods; and such releases when made in these months, or thereafter, will be at the maximum rate practicable under the conditions at the time.

(c) Subject to the foregoing, the storage of water in and the release of water from all reservoirs constructed by the Corps of Engineers as part of the Middle Rio Grande project will be done as the interests of flood and sediment control may dictate: *Provided*, That the Corps of Engineers will endeavor to avoid encroachment on the upper two hundred and twelve thousand acre-feet of capacity in Cochiti Reservoir, and all reservoirs will be evacuated completely on or before March 31 of each year: *And provided further*, That when estimates of anticipated streamflow made by appropriate agencies of the Federal Government indicate that the operation of reservoirs constructed as a part of the Middle Rio Grande project may affect the benefits accruing to New Mexico or Colorado, under the provisions of the eighth unnumbered paragraph of article VI of the Rio Grande compact, releases from such reservoirs shall be regulated to produce a flow of ten thousand cubic feet per second at Albuquerque, or such greater or lesser rate as may be determined by the Chief of Engineers at the time to be the maximum safe flow, whenever such operation shall be requested by the Rio Grande compact commissioner for New Mexico or the commissioner for Colorado, or both, in writing prior to commencement of such operation.

(d) All reservoirs of the Middle Rio Grande project will be operated at all times

in the manner described above in conformity with the Rio Grande compact, and no departure from the foregoing operation schedule will be made except with the advice and consent of the Rio Grande compact, and no departure from the foregoing operation schedule will be made except with the advice and consent of the Rio Grande Compact Commission: *Provided*, That whenever the Corps of Engineers determines that an emergency exists affecting the safety of major structures or endangering life and shall so advise the Rio Grande Compact Commission in writing these rules of operation may be suspended during the period of and to the extent required by such emergency.

(e) The foregoing regulations shall not apply to storage capacity which may be allocated to permanent pools for recreation and fish and wildlife propagation: *Provided*, That the water required to fill and maintain such pools is obtained from sources entirely outside the drainage basin of the Rio Grande.

(90) UPPER MISSISSIPPI RIVER BASIN

(91) In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$12,000,000 for the prosecution of the comprehensive plan for the Upper Mississippi River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent Acts of Congress.

(92) The flood protection project on Redwood River at Marshall, Minnesota, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 417, Eighty-sixth Congress, at an estimated cost of \$2,252,000.

(95) The report of the Chief of Engineers on Wilson Dam and Reservoir, Saline River, Kansas, submitted in compliance with Public Law 505, Eighty-fourth Congress, published as Senate Document Numbered 96, Eighty-sixth Congress, is hereby approved, and construction of the project as a unit of the comprehensive plan of improvement for the Missouri River Basin authorized by the Flood Control Act approved December 22, 1944, is hereby authorized at an estimated cost of \$18,081,000.

(100) The project for flood protection on Cheyenne River and tributaries, South Dakota and Wyoming, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 280, Eighty-sixth Congress, at an estimated cost of \$272,000.

(105) The project for flood protection on Lynn Camp Creek at Corbin, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in the House Document Numbered 282, Eighty-sixth Congress, at an estimated cost of \$645,000.

(106) The project for flood control and allied purposes on Laurel River, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 413, Eighty-sixth Congress, at an estimated cost of \$21,900,000: *Provided*, That construction of the project shall not be commenced until the agency designated to market the power has entered into an agreement which would insure that the power would be sold at rates sufficient to repay with interest within 50 years all costs allocated to power.

(109) The project for flood protection on the West Branch of the Mahoning River, Ohio, authorized in Public Law 85-500, in accordance with the recommendations of the Chief of Engineers in House Document 191, Eighty-fifth Congress, is hereby modified to provide that the entire local share of cost for water for pollution abatement and for municipal and industrial water supply purposes is \$5,200,000, of which \$3,230,000 will be paid in cash during construction, and the unpaid balance at the time the project is

placed in useful operation, \$1,970,000, may be paid in cash at that time or repaid on an annual basis in accordance with the principles of title III of said Public Law 85-500.

(114) SACRAMENTO RIVER BASIN

The project for flood protection on the Sacramento River, California, authorized by the Flood Control Act approved March 1, 1917, as amended and modified by subsequent Acts of Congress, is further modified substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 108, Eighty-sixth Congress, and there is hereby authorized to be appropriated the sum of \$14,240,000 for the prosecution of the initial phase of bank erosion control works and setback levees on the Sacramento River.

(115) LAS VEGAS WASH, NEVADA

The project for flood protection on Las Vegas Wash and tributaries, Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 405, Eighty-sixth Congress, at an estimated cost of \$13,410,000.

Amendment No. 62: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Chicopee River, Massachusetts, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 63: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Westfield River, Massachusetts, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 64: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Farmington River, Connecticut and Massachusetts, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 68: This amendment increases the authorization from \$1,000,000 to \$23,000,000 for the central and southern Florida comprehensive plan for flood control. The House recedes.

Amendments Nos. 69 and 70: These amendments modify the central and southern Florida comprehensive plan for flood control to include a project for canals, levees, and water control in the Nicodemus Slough area, Glades County, Florida, substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 53, Eighty-sixth Congress, at an estimated cost of \$318,000. The House recedes.

Amendment No. 71: This amendment provides that the levees around Lake Okeechobee, Florida, shall be known and designated as the Herbert Hoover Dike. The House recedes.

Amendment No. 72: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 76: This amendment struck from the House bill the Bardwell Reservoir on Waxahachie Creek in connection with the plan of the improvement of the Trinity River, Texas. This project was stricken because it has already been authorized. The House recedes.

Amendment No. 84: Reported in disagreement. The managers on the part of the

House intend to offer a motion to authorize the plan for flood protection on the East Point, Louisiana, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 85: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to cause an immediate study to be made of emergency bank protection at Garland City, Arkansas, to determine whether the project is justified, and if found to be justified by the Secretary of the Army, is approved by the President, and not disapproved by Congress within 60 days after its submission to Congress (such 60 days to run only when Congress is in session) then the project will be authorized.

Amendment No. 86: This amendment increases from \$32,000,000 to \$50,000,000 the authorization contained in this bill for the plan of development for the White River Basin. The House recedes.

Amendment No. 87: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize modification of the existing flood protection project for Village Creek, White River, and Mayberry Levee Districts, White River, Arkansas, substantially in accordance with plan I as contained in House Document Numbered 225, Eighty-sixth Congress, with a requirement for a restudy to be made by the Chief of Engineers of plan III with a report to Congress of his findings as a result of that restudy. This authorizes the project but it is not contemplated that construction proceed until after the report of the resurvey of plan III is submitted and Congress has had an opportunity to act thereon.

Amendment No. 88: This amendment increases from \$95,000,000 to \$179,000,000 the authorization contained in this bill for the plan of development for the Arkansas River Basin. The House recedes.

Amendment No. 93: Reported in disagreement. The managers on the part of the House intend to offer a motion to provide for the construction of a highway bridge across the Coralville Reservoir at or near the Mehaffy site. The principal difference between the amendment proposed to be offered and Senate Amendment No. 93 are as follows: (1) the site is to be mutually satisfactory to the Army, the chief engineer of the Iowa State High Commission and the Board of Supervisors of Johnson County, Iowa, (2) the chief engineer of the Iowa State Highway Commission is also required to approve the plans for the bridge, and (3) before the awarding of any contracts for construction local interests are required to contribute for the cost of construction such amounts as the Secretary of the Army determines to be equitable, the United States to pay all other costs.

Amendment No. 94: This amendment increases from \$132,000,000 to \$207,000,000 the authorization contained in this bill for the prosecution of the comprehensive plan for the Missouri River Basin. The House recedes.

Amendment No. 96: This amendment authorizes the modification of a project for flood protection in the Gering and Mitchell Valleys in Nebraska to provide needed protection in Gering Valley. It further provides that construction was not to be initiated until the feasibility of the report had been submitted for approval of the Public Works Committees of Congress.

The amendment of the conferees would provide that construction would not be initiated until the feasibility report had been approved by the President and not less than 60 days continuous session of Congress had

expired without the Congress disapproving such report.

Amendment No. 97: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to cause an immediate study to be made of the flood control project at Sioux Falls, South Dakota, to determine whether modification of the project is justified, and if modification is found to be justified by the Secretary of the Army, is approved by the President, and not disapproved by Congress within 60 days after its submission to Congress (such 60 days to run only when Congress is in session) then the project will be authorized.

Amendment No. 98: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Vermillion River, South Dakota, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 99: The purpose of this amendment is to insure that the Federal cost of the highway bridge authorized by this section will not exceed \$4,500,000.

Amendment No. 107: This is a technical amendment for the purpose of inserting the document number for this project.

Amendment No. 108: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Loyalhanna Creek, Pennsylvania, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 110: This is a technical numbering amendment. The House recedes.

Amendment No. 111: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Gila and Salt Rivers, Arizona, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 112: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the project for flood protection on Tahchevah Creek at an estimated cost of \$1,105,000 with a requirement that non-Federal interests shall bear 50 percent of the cost of the project.

Amendment No. 113: This amendment increases from \$30,000,000 to \$32,000,000 the authorization contained in the bill for the comprehensive plan approved in the Act of August 18, 1941, as amended and supplemented, relating to the Los Angeles River Basin. The House recedes.

Amendment No. 116: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Gleason Creek, Nevada, as this Senate amendment would have authorized it with an additional provision that non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 117: Reported in disagreement. The managers on the part of the House intend to offer a motion to authorize the plan for flood protection on the Jordan River Basin, Salt Lake City streams, Utah, as the Senate amendment would have authorized it with an additional provision that

non-Federal interests should contribute to the total cost of the project not less than 20 percent of the cost allocable to local flood protection benefits.

Amendment No. 118: This amendment increases from \$90,000,000 to \$148,000,000 the authorization contained in this bill for the projects and plans for the Columbia River Basin. The House recedes.

Amendment No. 119: This amendment modifies the projects and plans for the Columbia River Basin to include the project for construction of the Foster Reservoir on the South Santiam River, Willamette River Basin, Oregon, substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 104, Eighty-sixth Congress, at an estimated cost of \$17,340,000. The House recedes.

Amendment No. 120: This amendment added a new section 204 to the bill.

This new section 204 would authorize Federal participation, to the extent of flood-control benefits only, in the proposed multiple-purpose Merced River development, including the Bagby, New Exchequer, and Snelling Dams and Reservoirs to be constructed on the Merced River by the Merced Irrigation District of California. This degree of participation is similar to authorizations previously granted for the Oroville and Cherry Valley Reservoirs, also in California. There are adequate safeguards in the proposed amendments to protect the interest of the United States. These principal safeguards are as follows:

(a) The actual amount of Federal contribution shall be determined by the Secretary of the Army in cooperation with the Merced Irrigation District, and shall be subject to a finding by the Secretary of the Army, approved by the President, of economic justification for the flood-control allocation.

(b) Prior to the Federal contribution an agreement must be reached between the Federal Government and the Merced Irrigation District, assuring that the reservoir will be operated so as to produce the flood-control benefits upon which the allocation is predicated.

(c) Operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army in accordance with existing law, which is similar to other dams not under the jurisdiction of the Corps of Engineers but having flood-control benefits, for which operating rules are prescribed.

(d) The rate of contribution on an annual basis during the construction period shall not exceed an amount which reflects the relative value of the flood-control portion in comparison to the total cost.

(e) The authority is limited to 4 years, and if construction is not undertaken within that period, the authority shall expire. The House recedes.

Amendment No. 121: This amendment added a new section 205 to the bill.

This section would authorize Federal participation to the extent justified by flood-control benefits only, in the proposed multiple-purpose dam and reservoir, or dams and reservoirs, to be constructed on the Mokelumne River by the East Bay Municipal Utility District of Oakland, Calif. This degree of participation is similar to that authorized by section 104, and in previous authorizations granted for the Oroville and Cherry Valley Reservoirs, also in California. There are the same safeguards for the protection of the interests of the United States in this project as was included for the Merced River development included in section 104, and for previous similar authorizations. In addition, provisions have been made to include adequate provision for mitigation of damages to fish and wildlife, consistent with the other purposes of the project. The House recedes.

Amendment No. 122: This amendment added a new section 206 to the bill.



The purpose of section 206 is to authorize the Secretary of the Army, through the Chief of Engineers, to compile and disseminate information on floods and flood damages, including identification of areas subject to inundation by floods of various magnitudes and frequencies. Authority would also be given to provide advice to local interests for their use in planning to ameliorate flood hazards. Section 206 would authorize the allotment from flood control appropriations of sums not to exceed \$1 million in any one fiscal year for compilation and dissemination of such information.

This legislation would meet a growing need at the local level for information about flood problems, damages, and hazards, and measures for their amelioration. Data and engineering advice would be made available for specific localities only upon the request of a State or responsible local governmental agency and upon the approval of the Chief of Engineers, Department of the Army. Information and assistance of this kind would provide a basis at the local level for the planning of flood control projects, for the regulation of flood plain use in many rapidly growing communities, for city planning (especially in the planning of urban renewal projects), for the development of flood insurance programs, and for other purposes. Such a program could yield large returns in the form of reductions in future flood losses and should reduce future demands for Federal expenditures for flood-control works.

The conference committee amendment strikes out the words "heretofore or" for the purpose of insuring that only future appropriations will be available for the purposes of this section. The House recedes.

Amendment No. 123: This amendment added a new section 207 to the bill.

This section authorizes the Chief of Engineers to utilize existing public roads as a means of providing access during construction to authorized water resource development projects, if he determines it to be in the public interest and would result in a saving in Federal cost over the cost of constructing a new road at Federal expense. The Chief of Engineers would be authorized to improve, reconstruct, and maintain such roads, or contract with the local authority having jurisdiction over the roads to accomplish the necessary work, and he may acquire necessary lands or easements if deemed advisable. Upon completion of the project, if considered necessary, the road will be restored to as good condition as it was before using for access purposes, after which the responsibility of the Chief of Engineers for improvement, reconstruction, and maintenance would cease.

This section also clarifies the responsibility of the Chief of Engineers with respect to replacement of existing public roads necessitated by construction of water resource development projects, as to service to be provided and design standards. The design standards for the substitute road will be based on the traffic existing at time of taking, in determination of the classification of the substitute road.

Amendment No. 125: This is a technical renumbering amendment. The House recedes.

#### FLOOD CONTROL SURVEYS

The following Senate amendments added to the House-passed bill directed flood control surveys to be made at the following localities. The House recedes with respect to each of these amendments: 126, 127, 129, 130, 131, 132, 133, and 134.

These amendments cover the following flood-control surveys:

(126) Ogunquit, York, Wells, Kennebunk, Kennebunkport, Biddeford, Saco, Old Orchard, Cape Elizabeth, Portland, and Phippsburg, and adjacent coastal areas, Maine.

(127) Patuxent River, Maryland.

(129) Indian River and other streams draining into Indian Lake and Lake Michigan in the vicinity of Manistique, Michigan.

(130) Atherton Creek, San Mateo County, California.

(131) Wildcat and San Pablo Creeks, Contra Costa County, California.

(132) Streams in Marin County, California, flowing into Richardson Bay, an arm of San Francisco Bay, including Coyote Creek and Arroyo Corte Madera del Presidio Creek.

(133) Island of Hawaii, State of Hawaii, construction of dikes, barriers, or walls, to protect lives and property from lava flows resulting from volcanic eruption.

(134) Kahoma Stream, Island of Maui, Hawaii.

Amendment No. 128: Senate amendment numbered 128 provided for a flood control survey at the Pithlachascotee River and certain other specified areas in Florida. The conference substitute was designed to correct a typographical error contained in the Senate amendment.

Amendment No. 135: This amendment added a new section 209 to the bill authorizing the Chief of Engineers to investigate and study in cooperation with Texas State agencies with a view to devising effective means of recharging and replenishing the Edwards Underground Reservoir as part of the plans for flood control and water conservation in the Nueces, San Antonio, and Guadalupe River Basins of Texas. It requires a contribution on the part of the State to the extent that the Secretary deems appropriate and requires a joint report signed by representatives of Texas and the Chief of Engineers. The House recedes.

Amendment No. 136: This amendment added a new section 210 to the bill. It provides, in addition to previous authorizations, an authorization of \$60,000,000 for continuing the works in the Missouri River Basin. The House recedes.

Amendment No. 137: This amendment added a new section 211 to the bill. This section authorizes the Secretary of the Army to pay to any bona fide lessee or permittee owning improvements which are or were situated on a railroad right-of-way the fair market value of any such improvements which have been or will be rendered inoperative or be otherwise adversely affected by the construction of the Tuttle Creek Reservoir project on the Blue River, Kansas, as determined by the Secretary or by the United States District Court for the District of Kansas on which jurisdiction is conferred for purposes of making this determination. The Secretary of the Army is authorized to provide necessary funds for this purpose from any moneys appropriated for the construction of the Tuttle Creek Reservoir project. The House recedes.

Amendment No. 139: This amendment is a technical renumbering amendment. The House recedes.

Amendment No. 140: This is an amendment redating the bill made necessary by the passage of time. The House recedes.

Amendment No. 152: This is an amendment to renumber title IV of the Senate amendment as title III, made necessary in view of the fact that the Senate receded on all of title III as proposed to be added by their amendments.

Amendment No. 153: Reported in disagreement. The managers on the part of the House intend to offer a motion to establish as a declaration of policy that owners and tenants of property acquired for public works projects be paid a just and reasonable consideration therefor and to authorize the Secretary of the Army in negotiating for the purchase of such property to pay a purchase price which will take into consideration that policy.

Amendment No. 154: Reported in disagreement. The managers on the part of the House intend to offer a motion to require that certain information be disseminated to owners and occupants of property to be acquired for public works projects by the United States in order that they be fully informed as to their rights.

Amendment No. 163: This is a technical renumbering amendment.

CLIFFORD DAVIS,  
JOHN A. BLATNIK,  
ROBERT E. JONES,  
JOHN F. BALDWIN, Jr.,  
WILLIAM C. CRAMER,

*Managers on the Part of the House.*

The Clerk proceeded to read the statement.

Mr. DAVIS of Tennessee. Mr. Speaker, because the conference report and statement has been made a part of the Record, and further because the report and statement is in document form, I ask unanimous consent that further reading be dispensed with.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The gentleman from Tennessee is recognized.

Mr. DAVIS of Tennessee. Mr. Speaker, the conference on the part of the House and Senate was a thorough and exhaustive one on this public works authorization bill.

The House will recall that on July 16, 1959, this House unanimously passed its bill. Some projects were added in the other body.

We come back today with a bill confident that it has met all of the objections of the interested agencies and the Budget Bureau, and we are equally confident that it will receive careful and favorable attention by the President of the United States.

Mr. Speaker, I move the adoption of the conference report.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Florida.

Mr. CRAMER. Is it correct that the conference report, as reported by the conferees, eliminated projects that were disagreed to by the Executive?

Mr. DAVIS of Tennessee. That is correct.

Mr. CRAMER. And it brought them into conformity with Executive recommendations with these amendments; and, in effect, the House bill as it passed the House in July was in conformity and this report brings the Senate bill substantially into conformity?

Mr. DAVIS of Tennessee. That is correct.

Mr. CRAMER. The House bill included only \$658 million. The Senate increased it to \$1,580 million. In other words, the Senate added about \$924 million. Of course this caused us considerable concern. The reasons for that increase are threefold. First, there were \$359 million worth of projects added. I ask the gentleman if that is not correct.

Mr. DAVIS of Tennessee. That is correct.

Mr. CRAMER. Resulting from increases in modifications of flood control

basic authorizations necessitated between the time when the House passed the bill nearly a year ago and when the Senate passed the bill recently.

Mr. DAVIS of Tennessee. That is correct.

Mr. CRAMER. And, second, about \$300 million was added in rivers and harbors, which were processed and cleared in the passage of time between when the House passed the bill and when the Senate passed the bill.

Mr. DAVIS of Tennessee. That is correct. The House must know we have to authorize these basin projects in advance so that they will have an umbrella under which the appropriation can be worked. We had to increase the monetary authorizations to take care of the situation which the gentleman from Florida has stated.

Mr. CRAMER. I have had some questions asked on this side with regard to the bill. This \$924 million added in the Senate included about \$357 million, plus \$300 million, as I have stated for a total of \$657 million was added as a result of the passage of time and is not in controversy. This, third, leaves only about \$170 million of projects in controversy. Is that not correct?

Mr. DAVIS of Tennessee. That is absolutely correct.

Mr. CRAMER. And of this \$170 million of projects in controversy, the conferees excluded from the bill approximately \$125 million worth of Federal money involved in those projects, leaving about \$45 million of those projects. I ask the gentleman if it is not correct that those \$45 million worth of projects were brought into conformity with recommendations by the Bureau of the Budget and the Corps of Army Engineers.

Mr. DAVIS of Tennessee. That is right.

Mr. CRAMER. I think this job is a monumental one on the part of the House conferees in that it recognizes the sound principles established in the final passage of the 1958 authorization bill which had been twice vetoed by the President because of its pork barrel nature.

Mr. Speaker, I ask for the adoption of the conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. GROSS. What I am just hearing now shows that the passage of time can be very expensive, does it not?

Mr. DAVIS of Tennessee. Yes. It is regrettable that this bill was not acted on by the other body at the time we acted so promptly.

Mr. TELLER. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. TELLER. I would like to ask the distinguished gentleman from Tennessee who has done such an able job of bringing this bill to the floor with the conference report today: Could you tell us the reasons why the conferees did not adopt the provisions inserted by the Senate Committee on Public Works for the establishment of a commission to study the

adequacy of compensation in Federal real property land acquisitions as proposed in my bill, H.R. 1066?

Mr. DAVIS of Tennessee. I am glad to answer the gentleman from New York. The House Committee has had no hearings at all on this important item. It was thought that this should be a matter which should have early attention in the Congress next year.

Mr. TELLER. The gentleman knows that I have long advocated that in the matter of land acquisition the Department of the Army should pay reasonable compensation for property in some additional amount not specified in the bill.

Mr. DAVIS of Tennessee. I think I can clarify that. In other words, the Department of the Army would not be required to pay the reimbursal price. But that section more appropriately provides for the relief of congestion now in the Federal courts. Prolonged condemnation proceedings, will be made unnecessary.

Mr. TELLER. Are not the people of this country entitled to the same kind of treatment when their property is condemned by the Federal Government? We are proposing to give different treatment to people whose property is condemned by the Army.

Mr. DAVIS of Tennessee. I cannot agree with the gentleman for I think this is a very fair provision. I see nothing unfair or inequitable about it.

Mr. TELLER. I think it is a fair provision, but should it not be extended to apply to all the people of the country?

Mr. DAVIS of Tennessee. We expect; to go into that next year. I am glad the gentleman brought it up.

Mr. TELLER. Mr. Speaker, as I have indicated on the floor of the House on many occasions, the problem of adequate compensation to those affected by Government improvement projects has long been of concern to me. For this reason I sponsored a bill in the 85th Congress and reintroduced in the 86th Congress which was referred to the Committee on Public Works. I understand that the executive agencies have no objection to the bill and some of them have even endorsed the commission study.

I was, therefore, gratified when the Senate committee, after considering the matter, added certain provisions concerning land acquisition to the rivers and harbors bill providing, among other things, for a commission along the lines that I have urged. My gratification, of course, was short lived because of the action of the conferees in taking out this provision. In place of the study commission it is my observation that, while well-meaning high-sounding phrases have been inserted in the conference report—and in the amendment to the act—as to the intent of Congress concerning payment in land acquisitions, they will be of no effect in relieving those who are hurt by any project; but, contrariwise, they will not even give moral support to people in my district who are just as effectively displaced by urban renewal and other city-type projects as those who are displaced by the Secretary of the Army in rural-type flood protection projects.

The need for uniformity was never greater. Proof of this is the fact that we have seen again in this session of Congress further random effort on a piecemeal basis to take care of isolated cases of inadequate compensation paid in connection with Federal projects.

It is my hope that the House Committee on Public Works will promptly move to consider H.R. 1066, which I have referred to before and which is pending before the committee. Because it is my thought, Mr. Speaker, that in the circumstances where the other body has already indicated its concurrence in this approach that, if the Public Works Committee could hold hearings on the bill and report it out after the recess, we could still adopt the authorization for the commission this session of Congress and have the study begun immediately without further delay.

Mr. BALDWIN. Mr. Speaker, I rise in support of the conference report on H.R. 7634. It has been a privilege to serve as one of the five House conferees on this measure, under the able chairmanship of the gentleman from Tennessee [Mr. DAVIS]. The House conferees had a preliminary meeting at which we agreed that we were highly desirous of obtaining a bill that the President would feel he could properly sign. We therefore took the position that we must eliminate those projects which were not economically justified, and provide that those projects on which departmental reports have not been filed, should not be constructed until such reports are filed. Fortunately, the Senate conferees agreed with us that this course of action should be taken. As a result, the conference report has eliminated a number of economically unjustified projects and requires the filing of favorable departmental reports before a number of other projects can be constructed. In addition we have reduced the Federal contribution on a considerable number of additional projects. We have saved the taxpayers over \$138 million in the elimination of projects and in the reduction of Federal contributions on other projects.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 5, line 7, insert:

"Pascagoula Harbor, Mississippi: Modification of the project authorized by the River and Harbor Act of 1954 (Public Law 790, Eighty-third Congress), House Document Numbered 98, Eighty-sixth Congress, to provide for a channel thirty-eight feet deep and three hundred and twenty-five feet wide through Horn Island Pass, thence thirty-five feet deep and two hundred and seventy-five feet wide through Mississippi Sound and up the Pascagoula River to the vicinity of the Ingalls Shipbuilding Corporation, in accordance with plans to be prepared by the Chief of Engineers, at an estimated cost of \$850,000, subject to conditions of local cooperation as prescribed by the Chief of Engineers;".

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House recede and



concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Pascagoula Harbor, Mississippi: The Secretary of the Army is hereby authorized and directed to cause an immediate study to be made under the direction of the Chief of Engineers of the project authorized by the River and Harbor Act of 1954 (Public Law 790, Eighty-third Congress), House Document Numbered 98, Eighty-sixth Congress, to determine if further modification is warranted, and further modification of the project is hereby authorized as determined to be justified by the Secretary of the Army with the approval of the President, unless within the first period of sixty calendar days of continuous session of the Congress after the date on which the report is submitted to it such report is disapproved by Congress."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 11, line 7, insert:

"Hilo Harbor, Hawaii: Emergency construction of a seawall to protect against tidal waves and excessive high tides, in accordance with plans on file in the office of the Chief of Engineers, at an estimated cost of \$7,000,000."

Mr. DAVIS of Tennessee. Mr. Chairman, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate No. 34 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Hilo Harbor, Hawaii: The Secretary of the Army is hereby authorized and directed to cause an immediate study to be made under the direction of the Chief of Engineers of a seawall to protect against tidal waves and excessive high tides, and the project is hereby authorized as determined to be justified by the Secretary of the Army with the approval of the President, unless within the first period of sixty calendar days of continuous session of the Congress after the date on which the report is submitted to it such report is disapproved by Congress."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 44: On page 17, line 14, insert:

"Sec. 105. That the project for improvement of the Missouri River between Sioux City, Iowa, and the mouth, authorized by the River and Harbor Act approved March 2, 1945, is hereby modified to provide for a lake in the abandoned river channel of the Missouri River between river miles 710 and 715 for recreational purposes, by means of: (a) Construction of a levee extending along the left bank of the new channel to be constructed in the Middle Decatur Bend area of the Missouri River; and (b) construction of hydraulic-fill closures at both ends of the old channel, substantially in accordance with plans to be prepared by the Chief of Engineers, at an estimated Federal

cost of \$155,000: *Provided*, That responsible local interests furnish assurances satisfactory to the Secretary of the Army that they will (a) hold and save the United States free from damages; and (b) maintain and operate the project modification after completion in accordance with regulations to be prescribed by the Secretary of the Army."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate No. 44 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 105. The Secretary of the Army is hereby authorized and directed to cause an immediate study to be made under the direction of the Chief of Engineers of the project for improvement of the Missouri River between Sioux City, Iowa, and the mouth, authorized by the River and Harbor Act approved March 2, 1945, to determine if modification is warranted to provide for a lake in the abandoned river channel of the Missouri River between river miles 710 and 715 for recreational purposes, by means of: (a) Construction of a levee extending along the left bank of the new channel to be constructed in the Middle Decatur Bend area of the Missouri River; and (b) construction of hydraulic-fill closures at both ends of the old channel, and such modification is hereby authorized as determined to be justified by the Secretary of the Army with the approval of the President, unless within the first period of sixty calendar days of continuous session of the Congress after the date on which the report is submitted to it such report is disapproved by Congress."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 62: On page 26, line 17, insert:

"The plan for flood protection on the Chicopee River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of \$5,180,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate No. 62 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The plan for flood protection on the Chicopee River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 434, Eighty-sixth Congress, at an estimated cost of \$5,180,000. No obligation shall be incurred for the cost of this project where the flood-control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood-control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or

fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: On page 26, line 22, insert:

"The project for flood protection on the Westfield River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of \$3,240,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The project for flood protection on the Westfield River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 109, Eighty-sixth Congress, at an estimated cost of \$3,240,000. No obligation shall be incurred for the cost of this project where the flood-control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood-control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: On page 27, line 3, insert:

"The plan for flood control and related purposes on the Farmington River, Connecticut and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated March 29, 1960, at an estimated cost of \$12,052,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The plan for flood control and related purposes on the Farmington River, Con-

necticut and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 443, Eighty-sixth Congress, at an estimated cost of \$12,052,000. No obligation shall be incurred for the cost of this project where the flood control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 84: On page 32, line 9, insert:

"(c) East Point, Louisiana: House Document Numbered 406, Eighty-sixth Congress, at an estimated cost of \$273,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 84 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(c) East Point, Louisiana: House Document Numbered 406, Eighty-sixth Congress, at an estimated cost of \$273,000. No obligation shall be incurred for the cost of this project where the flood control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 85: On page 32, line 12, insert:

"(d) Garland City, Arkansas, Emergency Bank Protection: In accordance with plans on file in the Office of Engineers, at an estimated cost of \$1,750,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 85 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) Garland City, Arkansas: The Secretary of the Army is hereby authorized and directed to cause an immediate study to be made under the direction of the Chief of Engineers of emergency bank protection at Garland City, Arkansas, and the project is hereby authorized as determined to be justified by the Secretary of the Army with the approval of the President, unless within the first period of 60 calendar days of continuous session of the Congress after the date on which the report is submitted to it such report is disapproved by Congress."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 87: On page 32, line 22, insert:

"Modification of the existing flood protection project for Village Creek, White River and Mayberry Levee Districts, White River, Arkansas, is hereby authorized substantially in accordance with plan III, as contained in House Document Numbered 225, Eighty-sixth Congress, at an estimated cost of \$1,322,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 87 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Modification of the existing flood protection project for Village Creek, White River, and Mayberry Levee Districts, White River, Arkansas, is hereby authorized substantially in accordance with plan I as contained in House Document Numbered 225, Eighty-sixth Congress, at an estimated cost of \$294,000: *Provided*, That the Secretary of the Army is hereby authorized and directed to cause a restudy to be made under the direction of the Chief of Engineers of plan III as contained in the House Document Numbered 225, Eighty-sixth Congress, and to report to Congress his findings thereon."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 93: On page 37, line 10, insert:

"The project for the Coralville Reservoir on Iowa River, Iowa, as authorized by the Act of June 28, 1938 (52 Stat. 1215), is hereby modified to provide for construction of a highway bridge across said reservoir at or near the Mahaffy site, to replace the existing bridge crossing of Johnson County on County Road Y, under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, in accordance with such plans as may be approved by the Chief of Engineers, at an estimated cost of not to exceed \$1,180,000: *Provided*, That local interests shall construct all necessary approaches to the bridge site, and provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the bridge."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 93 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The project for the Coralville Reservoir on Iowa River in Iowa, as authorized by the Act of June 28, 1938 (52 Stat. 1215), is hereby modified in order to provide for a highway bridge across Coralville Reservoir at or near the Mahaffy site, such site to be mutually satisfactory to the Secretary of the Army, the chief engineer, Iowa State Highway Commission, and the Board of Supervisors of Johnson County, Iowa, to replace the previously existing bridge crossing of Johnson County on County Road Y. Such bridge shall be constructed under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with such plans as may be approved by the Chief of Engineers and the chief engineer, Iowa State Highway Commission: *Provided*, That prior to the award of any contract for the construction of the bridge or the approach roads authorized by this paragraph, local interests, acting through the Board of Supervisors of Johnson County, Iowa, shall contribute toward the cost of the construction of such bridge and approach roads such amounts as the Secretary of the Army shall determine to be equitable, and the United States shall pay all other costs of such bridge and approach roads."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 96: On page 38, line 13, insert:

"The project for flood protection in the Gering and Mitchell Valleys, Nebraska, authorized by the Flood Control Act of July 3, 1958 (Public Law 500, Eighty-fifth Congress), in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 139, Eighty-fourth Congress, is hereby modified to provide for such revisions in project scope and purposes due to changed conditions as may be found necessary by the Chief of Engineers, to provide needed protection in Gering Valley: *Provided*, That construction shall not be initiated until the Chief of Engineers shall submit a feasibility report, which shall be coordinated with the Soil Conservation Service, for the approval of the Public Works Committees of the Congress which shall set forth the plan of improvement, its economic justification, and his recommendations for local cooperation."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 96 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The project for flood protection in the Gering and Mitchell Valleys, Nebraska, authorized by the Flood Control Act of July 3, 1958 (Public Law 500, Eighty-fifth Congress), in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 139, Eighty-fourth Congress, is hereby modified to provide for such revisions in project scope and purposes due to changed



conditions as may be found necessary by the Chief of Engineers, to provide needed protection in Gering Valley: *Provided*, That construction shall not be initiated until the Chief of Engineers shall submit a feasibility report, which shall be coordinated with the Soil Conservation Service, for the approval of the President which shall set forth the plan of improvement, its economic justification, and his recommendations for local cooperation except that construction shall not be initiated until the expiration of the first period of sixty calendar days of continuous session of the Congress following the date on which such report is transmitted to it but only if between the date of transmittal and the expiration of such sixty-day period such report is not disapproved by Congress."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 97: On page 39, line 3, insert:

"The project for flood protection at Sioux Falls, South Dakota, authorized by the Flood Control Act approved September 3, 1954, Public Law 780, Eighty-third Congress, in accordance with the recommendations of the Chief of Engineers in House Document Numbered 133, Eighty-fourth Congress, is hereby modified to provide for extension of the authorized project to include flood protection in the reach between Western Avenue and Cherry Rock Dam, in accordance with plans to be prepared by the Chief of Engineers, at an estimated cost of \$560,000: *Provided*, That local interests agree to: (a) Furnish without costs to the United States all lands, easements, and rights-of-way; (b) hold and save the United States free from damages; (c) make all necessary relocation and utility changes; and (d) maintain and operate the project after completion."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 97 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The Secretary of the Army is hereby authorized and directed to cause an immediate study to be made under the direction of the Chief of Engineers of the project for flood protection at Sioux Falls, South Dakota, authorized by the Flood Control Act approved September 3, 1954, Public Law 780, Eighty-third Congress, in accordance with the recommendations of the Chief of Engineers in House Document Numbered 133, Eighty-fourth Congress, to determine whether extension of the authorized project to include flood protection in the reach between Western Avenue and Cherry Rock Dam, is justified, and such modification is hereby authorized as determined to be justified by the Secretary of the Army with the approval of the President, unless within the first period of sixty calendar days of continuous session of the Congress after the date on which the report is submitted to it such report is disapproved by Congress."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 98: On page 39, line 18, insert:

"The project for flood protection on Vermillion River, South Dakota, is hereby au-

thorized substantially in accordance with the recommendations of the Chief of Engineers in his report, dated June 1, 1960, at an estimated cost of \$6,010,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 98 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The project for flood protection on Vermillion River, South Dakota, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document Numbered 426, Eighty-sixth Congress, at an estimated cost of \$6,010,000. No obligation shall be incurred for the cost of this project where the flood control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within fifty years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 108: On page 43, line 17, insert:

"The project for flood protection on Loyalhanna Creek at Latrobe, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 383, Eighty-sixth Congress, at an estimated cost of \$2,568,300."

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate Numbered 108 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"The project for flood protection on Loyalhanna Creek, at Latrobe, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 383, Eighty-sixth Congress, at an estimated cost of \$2,568,300. No obligation shall be incurred for the cost of this project where the flood control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood control benefits, payable either as construction proceeds

or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 111: On page 45, line 1, insert:

#### "GILA RIVER BASIN

"The plan of improvement for flood protection and allied purposes on the Gila and Salt Rivers, Gillespie Dam to McDowell Dam site, Arizona, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 279, Eighty-sixth Congress, at an estimated Federal cost of \$3,300,000.

Mr. DAVIS of Tennessee. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 111 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

#### "GILA RIVER BASIN

"The plan of improvement for flood protection and allied purposes on the Gila and Salt Rivers, Gillespie Dam to McDowell Dam site, Arizona, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 279, Eighty-sixth Congress, at an estimated Federal cost of \$3,300,000. No obligation shall be incurred for the cost of this project where the flood control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 112: On page 45, line 8, insert:

#### "WHITEWATER RIVER BASIN, CALIFORNIA

"The project for flood protection on Tahchevah Creek at and in the vicinity of Palm Springs, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 171, Eighty-sixth Congress, at an estimated cost of \$1,658,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 112 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

**"WHITEWATER RIVER BASIN, CALIFORNIA**

"The project for flood protection on Tahchevah Creek at and in the vicinity of Palm Springs, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 171, Eighty-sixth Congress, at an estimated Federal cost of \$1,105,000: *Provided*, That non-Federal interests shall bear 50 percent of the cost of the project including the cost of lands, easements, rights-of-way, and relocations."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 116: On page 47, line 1, insert:

**"GLEASON CREEK, NEVADA**

"The project for flood protection on Gleason Creek, Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 388, Eighty-sixth Congress, at an estimated cost of \$450,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 116 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

**"GLEASON CREEK, NEVADA**

"The project for flood protection on Gleason Creek, Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 388, Eighty-sixth Congress, at an estimated cost of \$450,000. No obligation shall be incurred for the cost of this project where the flood control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 117: On page 47, line 7, insert:

**"GREAT SALT BASIN, UTAH**

"The project for flood protection on the Salt Lake City Streams, Jordan River Basin, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 213, Eighty-sixth Congress, at an estimated cost of \$6,060,000."

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 117 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

**"GREAT SALT BASIN, UTAH**

"The project for flood protection on the Salt Lake City Streams, Jordan River Basin, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 213, Eighty-sixth Congress, at an estimated cost of \$6,060,000. No obligation shall be incurred for the cost of this project where the flood control benefits are exclusively for local flood control, as determined by the Secretary of the Army (except costs of planning, design, and acquisition of water rights), unless the State or one or more other non-Federal entities shall have entered into an agreement in advance to assume at least 20 per centum of the cost (except costs of planning, design, and acquisition of water rights) of the completed project allocated to the production of local flood control benefits, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 153: On page 68, line 18, insert:

**"DECLARATION OF POLICY**

"SEC. 401. It is hereby declared to be the policy of Congress that owners and tenants whose property is acquired for public works projects of the United States of America shall be paid a fair and equitable amount for the property acquired and reimbursed for their actual losses."

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 153 and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

**"DECLARATION OF POLICY**

"SEC. 301. It is hereby declared to be the policy of Congress that owners and tenants

whose property is acquired for public works projects of the United States of America shall be paid a just and reasonable consideration therefor. In order to facilitate the acquisition of land and interests therein by negotiation with property owners, to avoid litigation and to relieve congestion in the courts, the Secretary of the Army (or such other officers of the Department of the Army as he may designate) is authorized in any negotiation for the purchase of such property to pay a purchase price which will take into consideration the policy set forth in this section."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 154: On page 69, line 1, insert:

**"DISSEMINATION OF INFORMATION**

"SEC. 402. Within six months after the date that Congress authorizes construction of a water resource development project under the jurisdiction of the Secretary of the Army, the Corps of Engineers shall make reasonable effort to advise owners and occupants in and adjacent to the project area as to the probable timing for the acquisition of lands for the project and for incidental rights-of-way, relocations, and other requirements. Within a reasonable time after initial appropriations are made for land acquisition or construction, including relocations, the Corps of Engineers shall conduct public meetings at locations convenient to owners and tenants to be displaced by the project in order to advise them of the proposed plans for acquisition and to obtain their comments thereon. To carry out the provisions of this section, the Chief of Engineers shall issue regulations to provide, among other things, dissemination of the following information to those affected: (1) basis and procedures for appraisals; (2) basis for offer to purchase property without going to court; (3) legal procedures in condemnation proceedings; (4) entitlement to payments for moving expenses or other losses not covered by appraised market value; (5) occupancy during construction; (6) removal of improvements; (7) payments required by occupants of Government acquired land; (8) deposits as advances to land and property owners; and (9) use of land by owner when easement is acquired. The operation of this section and the functions performed under it shall be exempt from the operations of the Administrative Procedure Act of June 11, 1946, as amended (60 Stat. 237)."

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. DAVIS of Tennessee moves that the House recede from its disagreement to the amendment of the Senate numbered 154 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

**"DISSEMINATION OF INFORMATION**

"SEC. 302. Within six months after the date that Congress authorizes construction of a water resource development project under the jurisdiction of the Secretary of the Army, the Corps of Engineers shall make reasonable effort to advise owners and occupants in and adjacent to the project area as to the probable timing for the acquisition of lands for the project and for incidental rights-of-way, relocations, and any other requirements affecting owners and occupants. Within a reasonable time after initial appropriations are



made for land acquisition or construction, including relocations, the Corps of Engineers shall conduct public meetings at locations convenient to owners and tenants to be displaced by the project in order to advise them of the proposed plans for acquisition and to afford them an opportunity to comment. To carry out the provisions of this section, the Chief of Engineers shall issue regulations to provide, among other things, dissemination of the following information to those affected: (1) factors considered in making the appraisals; (2) desire to purchase property without going to court; (3) legal right to submit to condemnation proceedings; (4) payments for moving expenses or other losses not covered by appraised market value; (5) occupancy during construction; (6) removal of improvements; (7) payments required from occupants of Government acquired land; (8) withdrawals by owners of deposits made in court by Government; and (9) use of land by owner when easement is acquired. The provisions of this section shall not subject the United States to any liability nor affect the validity of any acquisitions by purchase or condemnation and shall be exempt from the operations of the Administrative Procedure Act of June 11, 1946, as amended (60 Stat. 237)."

On page 10 of the House Engrossed bill, line 14, strike out "Numbered —," and insert in lieu thereof "Numbered 41."

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Massachusetts.

(Mr. McCORMACK asked and was given permission to speak out of order.)

Mr. McCORMACK. Mr. Speaker, I always like to take my colleagues into my confidence as quickly as possible in connection with action that I contemplate taking concerning the House of Representatives as such. In connection with the motion for an adjournment to a time certain, commonly referred to as a recess, when I offer the motion it will be to August 15, not August 8.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. GROSS. May I ask the gentleman when he proposes to offer the resolution?

Mr. McCORMACK. That is a question of fact.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present. This is made with the best of motives. I want the Members to hear this statement.

Mr. McCORMACK. If the gentleman has the best of motives, may I ask that he refrain from exercising his right in this case? In the last days, may I not have enough influence with the gentleman to ask that?

Mr. HOFFMAN of Michigan. I should like to do something to please the gentleman.

Mr. McCORMACK. That would not please me.

Mr. HOFFMAN of Michigan. It would not please you?

Mr. McCORMACK. It would not.

Mr. HOFFMAN of Michigan. Then I will not do it.

Mr. McCORMACK. All right. I want to call to the attention of the Members important facts.

Mr. HOFFMAN of Michigan. Mr. Speaker, I did not withdraw my point

of order. In view of the fact that it would not please the gentleman I do not want to do it. I insist on the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I yield back the balance of my time. Will the gentleman then withdraw his point of order?

The SPEAKER pro tempore. The Chair will have to count, whether or not the gentleman yields back his time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I understand from the majority leader that it would please him if I did withdraw it. Being very, very desirous of doing something to please him, I do withdraw it.

The SPEAKER pro tempore. The point of order is withdrawn. The gentleman from Massachusetts is recognized.

Mr. McCORMACK. I realize the feeling of the Members. I have the same feeling myself of the desire to adjourn sine die. On the other hand, we have the Democratic Convention starting on July 11 and the Republican Convention on July 25. I might say that the viewpoint of the leadership in the House has proven recognition of the fact that the Republican Convention, starting on July 25, probably would not finish July 30 or 31, and between that period and August 8 would be a very short period of time. It was consideration along that line that influenced the Speaker, and the leadership of this body.

Of course nobody would expect us to finish our business until our work is completed. There is nothing sacred about June 30, Congress adjourning sine die. As a matter of fact, I cannot remember when we did adjourn on June 30, sine die. There has always been a hangover after the end of the fiscal year. We are practical men, and we have to be practical in our considerations.

I assume that my Republican friends, now that they realize it will be August 15 instead of August 8, and I will stand pat on that and you have my word for that, I am sure they recognize that the Democratic National Convention is going to take place on July 11, and I am sure they would not want to do anything that would interfere with that taking place.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Of course.

Mr. GROSS. With former President Truman apparently out of the Democratic convention, I wonder if it will be held as scheduled.

Mr. McCORMACK. I would say that President Truman is our problem and not your problem. Governor Rockefeller is your problem.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROWN of Ohio. I am not so much worried about former President Truman. The thing that worries me is whether or not you can have an official Democratic convention without having "Fishbait" Miller there.

Mr. McCORMACK. May I say as an individual, and again my friend from Ohio is pleasantly probing, may I say as an individual that with Bill Miller—

I never refer to him as "Fishbait," because Mrs. McCormack told me many years ago that after a person arrives at a certain age they should not be called by a nickname. She has a profound influence upon me. So you will understand it is the good influence and sound advice of Mrs. McCormack that a person after a certain age should not be called by a nickname, and I think there is a great deal of logic to it. In my opinion, a serious mistake was made when "Fishbait" was not asked. That shows how human we are when all of us have a little lapse at times.

Mr. BROWN of Ohio. Having had the pleasure of meeting Mrs. McCormack, I am satisfied that she has such a great influence on you.

Mr. McCORMACK. Do not worry about that.

Mr. BROWN of Ohio. Because my good wife has an influence on me. As vice chairman of the Republican National Committee, I am going to do the best I can to see that William Miller, alias "Fishbait" Miller, is invited to go to the Republican National Convention.

Mr. McCORMACK. I am sure my friend from Ohio, with the generous and gentlemanly disposition that he has, would not want to put Bill Miller in the position where he might have to pass upon such an invitation.

Mr. GREEN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GREEN of Pennsylvania. I just wanted to correct the gentleman from Ohio and also the majority leader. It is Dr. William Miller. He has an honorary doctor's degree, and he should be referred to as Dr. Miller.

Mr. BROWN of Ohio. May I add to that statement by saying I have been here long enough to learn that when I really want to find out what is going on around this House I go to Dr. William Miller.

Mr. McCORMACK. I agree with the gentleman. As majority leader, I would find my work immeasurably more difficult if it were not for Bill Miller. He serves all of us, without regard to party.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. GROSS. I, too, was interested in the Fishbait Miller story, and especially that the Democrats cannot afford to send him to the convention. I am glad to see the Democrats being so careful with their own money.

Mr. McCORMACK. We Democrats are always, unfortunately, in that position where money is concerned; but somehow or other we manage to struggle along.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HAYS. I am glad to hear the majority leader say that this resolution will go to the 15th of August, because it may be that the Republican Convention will last even longer. I heard from one of the very high officials of the Republican Party in my State, up in the ranks of vice chairman or somewhere around there, that the keynote speaker might

be so carried away as to say that Chiang Kai-shek should be nominated. That really would throw them into an uproar.

Mr. McCORMACK. Mr. Speaker, I would like to give my colleagues some information as to the duration of previous sessions of Congress. The 1st session of the 80th Congress met on January 3, 1947. There were recesses of a week or two and the session adjourned on Sunday, December 19. In the 2d session we met on January 6, 1948. There were recesses during the session from June 20, 1948, to July 26, 1948, and from August 7, 1948, to December 31, 1948; and then we adjourned on Sunday, December 31.

The 81st Congress met on January 3, 1949, the 1st session, and adjourned October 19 of that year.

The 2d session of the 81st Congress met on January 3, 1950. There was the Easter recess, of course, from April 6 to 18, and then we were in recess from September 23, 1950, to November 27, 1950, and then finally adjourned on January 2, 1951.

The 1st session of the 82d Congress met on January 3, 1951, and outside of the Easter recess there was a recess from August 23, 1951, to September 12, and adjournment was on October 20 of that year. The 2d session of the 82d Congress met on January 8, 1952. There was the customary Easter recess. We finally adjourned that year on July 7, 1952.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield at that point?

Mr. McCORMACK. I yield.

Mr. BYRNES of Wisconsin. If my memory serves me correctly, the Republican Convention was the following day in Chicago. We worked right up until that time.

Mr. McCORMACK. I am unable to answer that. I am just giving some facts showing that there is always this uncertainty.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. PELLY. I wonder if the distinguished majority leader would indicate as he goes through how many of these Congresses went for 3 months without doing any real work?

Mr. McCORMACK. That is another question. This Congress, of course, spent a protracted period of time on amendments to the civil rights bill. This has been a historic Congress in many respects. The admission of Hawaii into the Union is a matter of history. The constitutional amendment regarding the District of Columbia voting rights for President and Vice President is a historical event. I do not want to get into that at this time, when I am just trying to give some information to my colleagues to show that when the resolution comes up there should not be any opposition.

Mr. PELLY. The point I am raising is that we from the Pacific coast do not find it easy to sit around from Friday to Tuesday. We have a hard time with these recesses.

Mr. McCORMACK. I understand the gentleman's situation; but when we go

over from Thursday to Monday, we have completed the week's work available at that time, and the gentleman knows as well as I do it crowds up toward the end of the session. I personally sent two letters to chairmen of standing committees urging them to get bills out of their subcommittees and the full committee, bills that must be acted on during the session, recognizing months ago in my own mind the difficulty that might present itself as we approached June 30.

Mr. PELLY. If the gentleman will yield further, I certainly do not object; I favor the Members having an opportunity to go to their conventions. It is an important thing for everyone.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JUDD. I know the gentleman wants to give all the facts. I think he will remember that when the 80th Congress adjourned in June of 1948 and came back in the fall it came back in a special session called by President Truman. It had completed all its work when it adjourned.

Mr. McCORMACK. We did not adjourn on June 30.

Mr. JUDD. We adjourned sometime in June of 1948.

We adjourned in June sine die, and were called back by President Truman.

Mr. McCORMACK. I do not think we adjourned in June. It may have been in July.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. HOEVEN. The gentleman from Minnesota is correct, as far as I know. The question I want to ask is simply this: If we reconvene on August 15, can the gentleman give us an estimate as to the time it will be necessary to finish the business by the House at that time?

Mr. McCORMACK. I wish I could answer that question. I cannot give an answer because that is dependent upon the considerations of the other body.

Mr. HOEVEN. May I say that the distinguished majority leader in the other body said, according to press reports, he thought 2 or 3 weeks would be sufficient. Would the gentleman concur in that estimate?

Mr. McCORMACK. I would think, knowing the majority leader of the other body, his personality and his qualities of leadership, that any opinion he expressed in that respect would be one we might give serious consideration to. On the other hand, there are times when majority leaders do not have complete control of the situation.

Mr. HOEVEN. I understand that, but will not the distinguished majority leader join me in expressing the hope we can conclude our business by Labor Day?

Mr. McCORMACK. Absolutely. If we pass the aid-to-school construction bill, the minimum wage bill, and the housing bill I think we can get through.

Mr. HOEVEN. By Labor Day?

Mr. McCORMACK. Yes.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. GUBSER. I would like to make a suggestion to the distinguished majority leader, if I may. I do not think that any personal inconvenience to Members of Congress should be considered because we are elected to accept that inconvenience. But I am thinking of members of our staff. I would respectfully suggest to the majority leader that in the event that a Member requires that members of his staff go to the home district and then return following the recess, some consideration should be given to remuneration of those staff members in the way of transportation costs only. I hope the majority leader will consider that matter.

Mr. McCORMACK. I am not immune to such consideration, but I have not complete control over that.

Mr. GUBSER. It is also my understanding that is a privilege which is accorded staff members in the other body.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Mississippi.

Mr. COLMER. I would like to inquire of the majority leader, and I assume we are going to recess, what the program is for this body before the recess comes up? In other words, what is to be considered before the recess?

Mr. McCORMACK. I am unable to state. I can state the program for today, but I am unable to state what it will be tomorrow. I shall do so later in the day.

In the 83d Congress, the 1st session met on January 3, 1953. Outside of Easter recess, the House adjourned on August 3, 1953. It did a pretty good job that year.

The second session met on January 6 and, outside of the Easter recess, adjourned on August 20. The Senate was in recess from August 20 to November 8 and from November 18 to November 29. The final sine die resolution was December 2, 1954.

The 1st session of the 84th Congress, outside of the Easter recess, adjourned sine die on August 2, 1955.

The second session met on January 3 and adjourned on July 27, 1956.

I may say that were it not for the conventions I am satisfied we would be able to adjourn this month. I have that firm conviction. I think the conventions bring about this situation that confronts us at the present time.

The 85th Congress, 1st session, outside of the Easter recess, adjourned on August 30, 1957.

The 2d session of the 85th Congress met on January 7, 1958, and adjourned August 24, 1958.

The 1st session of the 86th Congress met on January 7, 1959, and we adjourned September 15. I just wanted to give this information to show that we always, of necessity, have gone beyond June 30. I would like to have stayed here and adjourned sine die. I would like to have had the situation such where we could, but the situation is such where we cannot. In accordance with records of past sessions of Congress, they have gone well into July, and sometimes later months of the year. And, I repeat, I am satisfied that we would have been



able to adjourn substantially before the end of July if it were not for the fact that two important national conventions take place this year; national conventions that we know are a very important part in the life of our country, not the life of the political parties alone but the life of our country, because no matter what one may say about a convention, out of that convention comes the nominee of the Republican Party and the nominee of the Democratic Party, and some one of those nominees for President and Vice President is going to be the next President and the next Vice President of the United States.

Mr. BYRNES of Wisconsin. Mr. Speaker, if the gentleman will yield, I certainly agree with the gentleman's statement with respect to these conventions. Certainly nobody would want to deny the members of either party the opportunity to attend their convention. Maybe the gentleman can refresh my memory, since he has looked up the record, but the gentleman, I think, said that the 1956 adjournment, which was the last presidential election and the last year of a national convention, that we adjourned July 27. My memory seems to indicate that we adjourned prior to the convention of either party. Does the gentleman recall, Were the conventions in that year in August rather than in July? Maybe the gentleman can refresh my memory.

Mr. McCORMACK. My record here—and might I again take the House into my confidence—was prepared for me by the famous Dr. Miller, in whom everybody has such confidence. My record, as prepared for me by Dr. Miller, is that we adjourned August 2, 1955, the first session, and in the second session July 27, 1956.

Mr. BYRNES of Wisconsin. But in both of those years, I think the gentleman will agree with me, we adjourned before. Really the issue we have before us is the issue of getting through before the convention so that we do not get legislation thrown into the superpolitical charged atmosphere of a postconvention session. At least in 1952 and again in 1956, at least in those cases we adjourned prior to the convention. We arranged our business in such a way as to do so.

Mr. McCORMACK. Well, the conventions must have occurred at a later date.

Mr. BYRNES of Wisconsin. That is right. Of course, in 1952 they did not, but what we did is we went right up to the day before the convention, because I remember Members having to fly out early that morning in order to get to Chicago in time for the national convention the next day.

Mr. McCORMACK. All I gave this information for was to show that the sessions have gone beyond June 30. I thoroughly recognize and appreciate the feeling of the Members. I feel it myself.

Mr. BYRNES of Wisconsin. There is a suggestion here that we could go almost to July 9 and still accommodate the desires to go to the convention.

Mr. McCORMACK. I assure the gentleman that a careful survey has been made. I think we could have completed the business of the House. We could

have completed the business of the House because we could get final action on certain bills. But, after a careful survey, it was recognized that the other body just could not complete their business, and it would be unreasonable to expect it. And, if they could not, the logical thing to do was to take the recess Saturday rather than some day next week.

Mr. BYRNES of Wisconsin. Mr. Speaker, I will say to the gentleman that I certainly agree.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Florida.

Mr. CRAMER. I should like to ask a question of the majority leader as to when this recess motion is expected to come up on the floor of the House.

Mr. McCORMACK. I am unable to answer that now. That is a matter of consultation. Of course, it cannot be later than tomorrow. I am not trying to avoid a direct reply, but I do not know. Again, it depends on what happens in the other body.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for a question?

Mr. DAVIS of Tennessee. I yield to the gentleman.

Mr. HOFFMAN of Michigan. May I ask the majority leader, in view of what he has just said, is that classified information?

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee [Mr. DAVIS].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

#### IRON ORE IMPORTS ENDANGER TACONITE DEVELOPMENT

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, according to a recent issue of Steel magazine the production of steel will drop to 60 percent of rated capacity during the July 4 holiday week. Roger Blough, chairman of the board of the United States Steel Corp., confirmed this prediction the other day when he stated production of steel would level off at around 58 percent of rated capacity and remain at that level until August.

The drop in steel production will, of course, hit hard at steel-mill employees whose jobs are directly affected. Iron ore miners in northern Minnesota will also be hard hit since the demand for iron ore declines in direct ratio to cutbacks in steel production. As was pointed out recently in an article entitled "The Iron Ore Industry in Minnesota," by George Seltzer, associate professor of economics and industrial relations at the University of Minnesota:

The level of iron ore operations in Minnesota is dependent upon factors external

to the State. It will be noted that the demand for iron ore, like that of other primary materials, is derived from the goods ultimately produced. In 1955, for example, iron blast furnaces, steel furnaces, and sintering plants [whose output is used almost exclusively in iron and steel production] accounted for more than 124 million of a total of some 125 million long tons of iron ore consumed in the United States. It is obvious, then, that the rate of iron-ore operations in Minnesota is affected most directly by the level of iron production and steel-making activity in the United States.

In other words, the demand for iron ore is directly related to variations in general business activity throughout the country, particularly variations in production of steel. During the recession of 1953-54, for instance, when steel production dropped from full capacity in 1953 to less than 70 percent capacity in 1954, Minnesota iron ore shipments dropped from 81,511,000 tons in 1953 to 49,081,000 tons in 1954. Production in 1955 climbed to 70 million tons; dropped slightly to 63 million in 1956; rose again to 68 million tons in 1957. During the 1957-58 recession when steel production fell from full capacity in December 1956 to less than 55 percent of capacity in the first half of 1958, Minnesota iron ore shipments dropped again to a low of 42,836,000 tons in 1958.

#### IRON ORE IMPORTS CONTINUE TO RISE

A drop in steel production with the accompanying cutback of domestic iron ore production this year raises the question once again of iron ore imports which do not seem to be affected in the same degree by steel cutbacks as is domestic production. Iron ore imports have increased four-fold since 1950, from 9.2 million net tons to 39.9 million net tons in 1959. The great bulk of the increase comes from Canada and Venezuela. In 1950, 2.1 million net tons of iron ore were imported from Canada. Last year Canadian imports totaled 15 million tons—a sevenfold increase. Venezuela, in 1950, was not a source of iron ore for this country. Last year 15.2 million tons were imported from that country.

Steel magazine predicts that more than 44 million tons of iron ore—a new record—will be imported by American steel mills this year. These imports are expected to fill about 33 percent of our steel mills' total requirements of 135 million tons.

According to Steel magazine the reason for the great increase in importation of iron ore is twofold. First, because iron ore is becoming a scarcer natural resource in this country. Second, because it is cheaper to mine ore and transport it at the lower wage rates in foreign countries and in foreign ships than it is to pay the American rates.

#### U.S. IRON ORE SUPPLY PLENTIFUL

It is certainly true that the domestic supply of high-grade, direct-shipment iron ore is dwindling. But to say that iron ore is becoming a scarce natural resource in this country simply is not true. According to a geological survey recently published by the Department of Interior, the United States has approximately 84 billion net tons of iron ore resources. At the present rates of use

this is enough iron ore to last for the next 622 years.

Admittedly, the survey's total of 84 billion tons includes only about 11.2 billion tons of crude ore reserves which the Department of Interior says can be used under present economic and technological conditions. That is enough for the next 82 years at present consumption—time in which the remaining 72.8 billion tons can be developed as a source of iron ore.

Thus it seems apparent that the real cause of the spurt in iron ore importation seems to be strictly economic and not out of any true concern for the conservation of a natural resource. As *Business Week* for August 9, 1958, put it:

The issue now is mainly over where the mining industry will do its new capital spending—here or abroad.

In other words, will the U.S. iron ore mining industry develop their newly acquired holdings of high-grade, direct-shipment iron ore abroad or will it develop low-grade deposits which abound in great quantity in the United States?

#### MINNESOTA TACONITE DEVELOPMENT

In northern Minnesota, for instance, we have at least 5 billion tons of usable magnetic taconite, a superhard rock laced with iron. Some estimates of taconite reserves go as high as 10 billion tons. Three tons of taconite produce one ton of high-grade iron ore. Thus, assuming the lowest estimate to be correct, 1.7 billion tons of usable high-grade iron ore are waiting to be developed in northern Minnesota, enough to furnish our entire iron ore needs from this single source for 12½ years. Keep in mind that these estimates relate only to magnetic taconite. According to Professor Setzer:

There are also large quantities of non-magnetic taconite which are not suitable for commercial beneficiation by present methods. Research in this latter area is in process.

In recent years, more than \$600 million in private capital has been invested in northern Minnesota for magnetic taconite development and already two plants with a potential of 25-million-ton combined capacity are in operation. Just recently the Reserve Mining Co., the first plant of its kind in this field, announced a \$100 million expansion of its Babbitt-Silver Bay plant which began operations in 1956. The Erie Mining Co. began taconite operations in 1957 at its Hoyt Lakes plant.

However, the taconite surface has hardly been scratched in northern Minnesota. At the same time, the largest producers of once plentiful Minnesota high-grade iron ore have taken the lead in developing foreign ore fields while all but neglecting their own huge taconite holdings in northern Minnesota.

The United States Steel Corp., for instance, an extensive importer of iron ore from Venezuela and elsewhere, has not installed commercial-scale taconite facilities but limits its program in Minnesota to a "pilot" taconite research plant. In April 1958, the president of

United States Steel, Clifford F. Hood, told the Governor of Minnesota:

It is doubtful that the output of additional taconite facilities would find a market except at the expense of existing Minnesota production.

Not long afterward, United States Steel announced plans to build an iron-ore taconite concentrating mill in the Quebec, Canada, area capable of producing 8 million tons of concentrates—one plant with two-thirds the present capacity of Minnesota's two existing taconite beneficiation plants. It is obvious that the development of iron-ore sources elsewhere can only have the effect of extending the timelag in the installation of additional taconite processing facilities in Minnesota, in addition to reducing demand for existing Minnesota production.

#### FEDERAL ACTION REQUIRED

Thus, the issue facing the major segments of the domestic mining industry has obviously been resolved and the decision to invest abroad has been made. The resolving of this issue at the private level has had grave public consequences. Unemployment in northern Minnesota and other iron ore mining areas is heavy and persistent and has been for the past 3 years. Most of these areas are single-industry areas depending almost entirely on the iron ore mining industry. The decline of the domestic iron ore industry will result also in our dependence on foreign sources of iron ore which could be disastrous in time of national emergency. Finally, imports have delayed the development of the taconite industry.

The most striking aspect of the decision by the mining companies to develop their foreign holdings is that it is done with the obvious blessing and encouragement of the Federal Government, and especially the present administration through favorable trade treatment and tax policies.

For instance, iron ore duties were removed in 1913 and today iron ore continues to come into this country absolutely duty free under paragraph 1700 of the Tariff Act of 1930. Pursuant to a concession granted by the United States in the General Agreement on Tariffs and Trade the duty-free status of iron ore was bound against imposition of any import restrictions. According to a 1955 Tariff Commission report to the House Committee on Ways and Means:

So long as this concession remains in effect any legislation providing for a duty on imports of iron ore or any other import restrictions would be inconsistent with international obligations of the United States.

On June 20, 1960, I received a report from the Tariff Commission which stated that its position has not changed since 1955. Therefore, any legislative proposals to impose import duties or quotas on iron ore obviously stand no chance of passage or approval. Even if such a bill could possibly pass Congress it would be swiftly vetoed by the President. The introduction of such legislation is an obvious gimmick to create an appearance of action when in fact it is nonexistent.

Protected in its duty-free status by not only our own laws but by international commitments as well, the importation of foreign produced iron ore has grown, as we have seen, by leaps and bounds. Up until just recently imports were of little consequence in the total iron ore picture. But when an imported natural resource commodity suddenly becomes the source of one-third our national needs it is time to take another look and not necessarily be bound by a tariff decision made in 1913 and continued ever since.

#### ESCAPE CLAUSE INVESTIGATION

An iron ore import investigation was started in January 1959, by the Tariff Commission, which held 1 day of hearings on the subject. It was conducted under the provisions of section 332 of the Tariff Act of 1930 pursuant to a resolution adopted July 29, 1958 by the Senate Committee on Finance.

The resolution called for a report by the Tariff Commission on or before March 1, 1959, which was to contain a description of the domestic industry, domestic production, foreign production, imports, consumption, channels of distribution, U.S. exports, prices of domestic and imported ore, the U.S. customs treatment since 1930 and a summary of the facts obtained in the investigation.

This was a worthy objective. Since last March, when the report was submitted, we have had accumulated and compiled in one volume all the information we knew to exist before. The Tariff Commission's study turned up nothing new and made no recommendations. It was a monumental and valuable work of factfinding but little else since we know that any tariff or quota legislation which might possibly grow out of it would be opposed by the Tariff Commission and the President on the ground that any legislative restriction of iron ore imports would be inconsistent with our international obligations.

It must be remembered, however, that the iron ore trade agreement concession in the GATT is subject to the "escape clause" of that agreement under which the concession may be withdrawn or modified under conditions set forth in section 7 of the Trade Agreements Extension Act of 1951, as amended. That section established procedures for invoking the escape clause of trade agreements whenever, as a result in whole or in part of the duty or other customs treatment reflecting a trade-agreement concession, a product is being imported into the United States in such increased quantities, either actual or relative to domestic production, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. An interested party who believes the foregoing conditions exist with respect to a product on which a concession has been granted in the GATT may file an application with the Tariff Commission for an investigation under section 7 of the extension act. In addition, such an investigation can be initiated by Congress. I am pleased to announce that the Senate Committee



on Finance has adopted a committee resolution which directs the Tariff Commission to initiate an escape-clause investigation pursuant to section 7 of the Trade Agreements Act of 1951, as amended to determine whether iron ore is being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic iron mining industry. It is only logical, in view of the Commission's 1959 report, that this investigation be made. This escape-clause investigation is in conformity with existing law and merely goes the next step beyond the Tariff Commission's investigation of last year to the consideration of the feasibility of controlling to a limited degree at least the importation of iron ore so that this country will not become a dumping ground for foreign ores to the detriment of our own domestic iron ore industry, especially the infant industry taconite.

#### TRADE ADJUSTMENT PROGRAM

In addition to the escape-clause investigation, I propose the enactment of legislation known as the trade adjustment program. Under my proposal, the Tariff Commission would follow its present procedure of holding hearings to determine the extent of injury resulting from increased imports. If a finding of injury is made and the President, as is his right under existing law, does not alter existing trade practices which caused the injury, then the area affected would be entitled to certain types of assistance.

Workers would have available to them supplementary unemployment compensation benefits, earlier retirement under social security, retraining for new job opportunities, and transportation to new areas of employment.

Industrial firms would be able to obtain loans, technical information, and the privilege of accelerated amortization for the purpose of development of new or different lines of production.

Communities or industrial development corporations within communities would have access to loans, technical information, and market research.

A brief summary of my bill, prepared by the Library of Congress, follows:

#### ANALYSIS OF TRADE ADJUSTMENT ACT OF 1960

1. Authorizes the appointment of a special board to be known as the Trade Adjustment Board consisting of five officers and employees of the executive branch of the Government who will serve without additional compensation to their normal salaries as Government employees. Permits the Board to conduct hearings, to secure information, subpoena witnesses, and to provide assistance to communities, industries, business enterprises, and individuals in order to facilitate adjustments made necessary by the trade policy of the United States.

2. Permits the President to refuse to accept the recommendations of the Tariff Commission under the mechanisms of the escape clause, etc., and to invoke this act after which the Board shall receive applications from communities, industrial development corporations, business enterprises, employees, or organizations representing employees for certificates of eligibility. The Board shall issue such certificates to parties

engaged in the production of articles identical to or competitive with the articles found to need tariff adjustment by the Tariff Commission.

3. Directs the Board in determining eligibility to consider the extent to which the employees and business enterprises or communities are affected by the injury suffered by the domestic industry and whether communities, business enterprises, and industrial development corporations have developed satisfactory programs for adjustment.

4. Permits loans for economic adjustment purposes under the Small Business Act without the usual limitation on the amount to be loaned.

5. Authorizes the Secretary of Labor to enter into agreements with States whereby supplementary unemployment compensation benefits may be paid to individuals eligible for the benefits of this act. Such payments would be equal to 66 2/3 percent of his average weekly earnings to extend for a period of 52 weeks.

6. Directs the Secretary of Labor to provide suitable vocational rehabilitation training for unemployed individuals and authorizes him to certify older workers to be unemployed as a result of the international trade policy of the United States and amends the Social Security Act to permit individuals to retire at age 60.

7. Permits eligible business enterprises and communities to take advantage of accelerated amortization provisions of the Internal Revenue Code.

The enactment of such a program is a necessary "backstop" to the escape-clause proceeding. Even if a finding of an injury is made by the Tariff Commission under an escape-clause action there is no assurance that anything will be done about it by the President. The Tariff Commission's inquiry goes only to the question of the injury itself and not to the many extra factors which the President will take into account in reaching a final decision. If these extra factors result in the President's not taking action then the affected area is left with what it had to start with—an injury with no relief. The trade adjustment program recognizes the importance of a liberal trade policy but recognizes also the Federal Government's responsibility to those areas adversely affected by that policy through no fault of their own.

#### CONCLUSION

In the past I have taken a firm stand against iron ore import quotas or tariffs. I have always supported our reciprocal trade program and have long recognized the need to develop a supplemental source of iron ore outside our own borders. With our growing population and expanding industrial base we will need all the ore we can get from all sources. However, with the development of the Canadian and Venezuelan ore fields and with new finds in Brazil and Africa just beginning to produce, it has become apparent that U.S. producers have turned to foreign ores for more than a supplement to their domestic supply. What is more they have done so with the help of Federal policies and to the detriment of the development of our own domestic supply of low-grade iron ores.

Under these circumstances we are no longer dealing with a traditional trade problem. This is not a case where for-

eign goods are competing unfairly with American products thus promoting their importation. This is a case of a foreign commodity owned and produced by U.S. interests coming into the country under the most favorable trade and tax conditions thereby making it possible for those same U.S. interests to ignore domestic resources which must be developed to insure a continued adequate supply of iron ore within our borders.

Under the escape-clause investigation, consideration will now be given to a possible restriction of iron-ore imports, especially during periods of slack iron-ore demand due to steel production cutbacks. It should be completed in the next 6 months. Next January Congress can then consider enactment of the trade adjustment program. Mr. Speaker, the development of taconite and the general expansion of the economic base of northeastern Minnesota is important to the entire Nation. I am pleased that the problem is finally receiving proper national attention and consideration.

#### PAYMENTS TO BERNALILLO COUNTY, N. MEX.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11545) to amend the act of October 31, 1949, with respect to payments to Bernalillo County, N. Mex., for furnishing hospital care for certain Indians.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I am wondering how much time this bill is going to take.

Mr. ROBERTS. It will require no time.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. ROBERTS]?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the next to the last proviso in subsection (b) of the first section of the Act entitled "An Act authorizing an appropriation for the construction, extension, and improvement of a county hospital at Albuquerque, New Mexico, to provide facilities for the treatment of Indians", approved October 31, 1949, as amended, is amended by striking out "June 30, 1960" and inserting in lieu thereof "June 30, 1963."*

With the following committee amendment:

First page, line 10, strike out "1963" and insert "1961".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

# TO AMEND FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 561 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9996) to amend section 402 of the Federal Property and Administrative Services Act of 1949, to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the United States to the injury of the economy of this country. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield myself such time as I may consume; following which, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, House Resolution 561 provides for consideration of H.R. 9996, a bill to amend section 402 of the Federal Property and Administrative Services Act of 1949, to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the United States to the injury of the economy of this country. The resolution provides for an open rule, with 1 hour of general debate.

The purposes of H.R. 9996 are to revise and improve existing law dealing with the importation of foreign excess property; to make unlawful the importation of such property if it would result in undue loss of production or employment in the United States; to give the Secretaries of Commerce and Agriculture authority to make determinations and regulations to carry out the law; to provide for forfeiture of property imported in violation of law and other penalties; and to permit the temporary importation of property for certain purposes under bond.

Foreign excess property is property owned or controlled by an agency of the U.S. Government, not required for its needs but located outside of the continental United States and certain territories. Under existing law, such property may be disposed of by sale or otherwise, but only with a condition forbidding its importation into the United States unless a determination is made that its importation "would relieve domestic shortages or otherwise be beneficial to the economy." Application for a determination or permit must be made by the importer. If granted, the property may be brought in.

The principal effect of the bill would be to permit the importation of foreign excess property unless it would result in undue loss of production or employment in the United States.

There is general agreement that the present law is deficient in various respects and after experience of 11 years should be reviewed.

Although there is little doubt that the Congress intended a restrictive policy when it enacted the law in 1949, there is now some question whether or not the fears of a great influx of foreign excess property into the economy were fully justified. It is also questionable whether or not the present distinction between foreign and domestic excess property is a practical one.

There has been little in the way of hard evidence that domestic industry has been hurt solely because of the importation of foreign excess property. Manufacturers and some dealers generally favor the restrictions imposed by the law, it is true, but this seems today to be based more on their general economic policy than on tangible cases of harm.

Foreign excess property is a small fraction of the total excess property disposed of each year and, according to information from the Department of Defense, is a declining amount.

The law imposes no restrictions on the disposition of domestic surplus property and except for advice given to the Department of Defense by the Department of Commerce under a voluntary agreement, there is no brake on its entry into the domestic market.

Mr. Speaker, I know of no opposition to the rule. There may be objection to the bill itself.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, from the Washington Post of this morning, I read the following:

Representative HOWARD W. SMITH, Democrat, of Virginia, leader of southern forces in the House, said that if Democrats "vote as they've been talking" a lot of them would vote against the recess plan. But it was expected that when it comes to a vote few Democrats would vote against RAYBURN on a procedural matter of this sort. It would constitute a vote of no confidence in the leadership.

RAYBURN said the recess resolution will pass and was quoted as saying that only a "legislative idiot" could believe that Congress can finish its work in another week.

Take that statement apart and put it together again and you have this: The gentleman from Virginia [Mr. SMITH]: "If Democrats vote as they have been talking"—and I assume they will, because I know they are conscientious and sincere—"a lot of them would vote against

the recess plans." Then our respected and beloved Speaker, if correctly quoted, which we doubt, said only a "legislative idiot" could believe that Congress can finish its work in another week." See where we get. The gentleman from Virginia and others apparently will vote to recess because they think, as do most Republicans, that the House can finish all worthwhile business not later than a week from today. By "worthwhile" I mean sound, constructive legislation—not vote-buying measures. We have the distinguished Speaker saying that only a "legislative idiot" could believe that Congress can finish its work in another week. If we cut out campaigning conventions, considerations of unnecessary bills, we might even finish tomorrow.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from New York.

Mrs. ST. GEORGE. It seems to me this proves that difference of opinion still makes horseraces.

Mr. HOFFMAN of Michigan. That is true. I do not know about horseraces. I never lost any money on that, but I cannot agree that even a losing horse is a running "idiot." Those who vote to recess may be statesmen.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Perhaps the wisdom of delaying or recessing this Congress so that we can give more thought to the pending legislation will be more dramatized when I call the gentleman's attention and the body's attention to the fact that the minimum wage bill which we passed in rather hasty manner yesterday, according to the best figures I can get from experts, actually will exclude 14 million Americans who are now not covered by the act that we passed. This is the result of moving in haste on a vital matter.

I had thought of raising a question of the privilege of the House. Then, because that must be accompanied by a resolution, I could not figure out just what to put in the resolution, whether to have the House pass a resolution declaring that the Washington Post was once more mistaken or that someone had not correctly evaluated the voting intentions of our southern Democrats.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Some of us, and I am one of them, intend to vote against this resolution. In what category does the gentleman fall?

Mr. HOFFMAN of Michigan. The gentleman belongs to that group of so many of us who will vote against the resolution but will not cry if the Democrats pass it.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. DENT. I suggest that perhaps the Speaker could call that up tomorrow



when he calls for a vote, if he says the intelligent should vote "aye" and the idiots should vote "no."

Mr. HOFFMAN of Michigan. Of course I think we could have finished our legislative work earlier if we had held fewer hearings—not made so many studies, confined our efforts to sound constructive legislation, not adjourned so many times on Thursday to the following Tuesday.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I take this time to find out whether I will be opposed to this rule or not.

This bill, of course, is to permit excess Federal property abroad to be shipped back to this country. On page 5 of the committee report it is stated that under regulations established by the Department of Commerce, various authorizations may be given, and then it says:

If the authorization is granted, the goods may be entered duty free.

This is an amendment to the existing Federal Property Administrative Services Act of 1949, as amended. Section 402 of that act is set out. But the question I would like to ask is where in the present law the Federal Property Administrative Services Act is a provision under which the Department of Commerce issues regulations permitting any goods to come in duty free? I cannot find it. I wonder if the Rules Committee had that information.

Mr. BROWN of Ohio. I think the answer to the gentleman's question is based on the fact that these goods belong to the U.S. Government.

Mr. CURTIS of Missouri. But they are sold.

Mr. BROWN of Ohio. No. They are not sold until they arrive back in the United States.

Mr. CURTIS of Missouri. I think the gentleman is in error, although I could be the one who is in error. Actually it says the property is sold, and when sold may be imported back to the United States by the purchaser.

Now here is a situation in regard to other property that is abroad that might have been manufactured in the United States. If it is sold to another person and that person wants to bring it back to the United States, the ordinary duty that might apply on that kind of property is applied.

I would like to know whether or not the Secretary of Commerce has been acting under proper authority in the law in issuing such a regulation. I would like to know specifically where in the law he obtains that authority.

Mr. BROWN of Ohio. Let me ask the gentleman: If goods are produced, manufactured abroad, and purchased abroad, is there still a tariff duty?

Mr. CURTIS of Missouri. Oh, yes.

Mr. BROWN of Ohio. Now it is my understanding—and we spent 2 years on hearings on this legislation—that the

Department of Commerce has consistently, under a license arrangement, permitted the reentry of these goods for sale in the United States, and the goods reimported, goods owned by the U.S. Government and manufactured in this country. It is to be presumed that the Department of Commerce had complete authority from someone, whether from your committee or the Congress or the Department of Justice, that there would be no duty assessed.

Mr. CURTIS of Missouri. That is the reason I raised the point in the discussion on the rule, because if there is a provision which would apply to the Tariff Act, which is in the jurisdiction of the committee of which I have the privilege of serving, the Ways and Means Committee, I was trying to find out where in the original act this authority might be vested. I cannot find it here, and without knowing where that authority is, it would seem to me this bill should not come before the House at this time until that point is determined, because I think this is very crucial in this debate that would be forthcoming.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. MEADER. I am glad the gentleman called attention to that passage on page 5 of the report. I will be frank to say that I was not aware of it.

I do not believe there is anything in the legislation before the House today, or which will come before the House if the rule is adopted, which would affect any tariff provisions which would have application to the United States surplus property sold abroad that is duty free today. It will be duty free under this bill; if it is not this bill could not make it duty free. It does not purport to affect that portion of the law. I am not aware, therefore, of the need for the statement in the report and I think it would be in order to address this question to the majority, because the preparation of a report always lies in the hands of the majority side of the committee, and I believe they could explain it better than it could be explained by some member on the minority side.

Mr. BROWN of Ohio. As I understand, pages 4 and 5 refer to existing law. It is not what is contained in the report that will be made in order by the rule.

Mr. CURTIS of Missouri. I will say that had I been able to study this bill more fully I would have appeared before the Rules Committee, but I think under present circumstances we should give the bill consideration and when we get into general debate I will go into it in some detail.

At this point I would add, I have had an opportunity to check the law and I find the basic authority for goods manufactured in the United States which had been shipped abroad to be imported duty free lies in the Tariff Act of 1930, title 19, United States Code, section 1201, paragraph 1615 as amended by the Customs Administration Act of 1938.

Before the 1938 amendment the importing of U.S. produced goods had to be done by the owner or in the owner's behalf to escape duty. However, the 1938 amendment changed the law so that the sole test of whether the goods will be duty free is whether they were produced in the United States and ownership is no criteria. Accordingly, the committee is correct in stating that the authority to allow U.S. surplus property of U.S. manufacture sold abroad to be imported into the United States by the new owner is well established in the law. However, I believe surplus property of the United States abroad which is not of U.S. manufacture or even U.S. made property to which value has been added through maintenance, repair, or addition cannot be admitted duty free when sold abroad as surplus.

Mr. BROWN of Ohio. This bill was reported unanimously by the Committee on Government Operations, but was reported by the Committee on Rules only after the adoption of certain amendments by the committee which will be offered by the committee if the rule is adopted and the bill is considered.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. BAILEY. Will the gentleman tell me how far the Rules Committee went into a discussion of this legislation?

Mr. BROWN of Ohio. It went far enough into the whole matter that it did not report a rule on the legislation as reported from the Committee on Government Operations, but instead advised the committee the bill would not be acceptable for a rule unless certain technical amendments were included by the Committee on Government Operations. The committee met and unanimously adopted the amendments and reported back to the Rules Committee.

Mr. BAILEY. If the gentleman will yield further, did they submit in their report to the committee any explanation that showed the different types of these surpluses?

Mr. BROWN of Ohio. Yes, we had rather complete information. The hearings are available. The details will be explained when we get into a consideration of the bill.

Mr. BAILEY. The gentleman well knows that in the State of West Virginia we have one of the largest tool plants in the country. I am speaking of the Baldwin-Ames plant at Parkersburg, West Virginia. They violently oppose this legislation. Right now products from West Germany are practically driving them out of business.

Mr. BROWN of Ohio. I think the gentleman has confused the Reciprocal Trade Agreements Act with this measure.

Mr. BAILEY. No; I have not.

Mr. BROWN of Ohio. This bill would not permit the bringing into this country of any foreign manufactured products.

Mr. BAILEY. But, however, the products come in here they are going to cause a glut on the American market.

Mr. BROWN of Ohio. This bill specifically prohibits such a thing from happening. American industry and labor are safeguarded.

Mr. BAILEY. I shall listen with considerable interest to debate on the bill.

Mr. TRIMBLE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, I should like to call the attention of the House to what happens when we try to stampede legislation through this body. Yesterday, if you recall, a motion was sustained to end debate on amendments to the minimum wage bill in 20 minutes which allowed about a minute apiece. An amendment to the amendment was offered by the gentleman from Mississippi and he was limited to less than a minute to discuss his amendment. At the time I am sure no one knew the effect of that amendment, simply because we were not permitted to examine it, but we know now that it is going to eliminate from fair labor standards coverage 14 million people now covered by the Fair Labor Standards Act.

This amendment, as it appears in the RECORD, will leave 10 million people covered instead of the 24 million that have been covered by the act since it was adopted in 1938, and it will further reduce the coverage proclaimed by the sponsors of the substitute bill adopted yesterday who told the House their bill would extend covering to 1.4 million. Under the Smith amendment that figure will be reduced to 500,000.

What the Smith amendment does is to say that the fair labor standards shall apply, for practical purposes, only to those who work in cities of 250,000 or more. The sponsors of the substitute bill are today faced with the prospect of having forced upon the House legislation which instead of increasing minimum wage coverage for underpaid Americans, as our committee bill originally proposed, would actually remove from the Fair Labor Standards Act some 14 million American workers. The coalition was so anxious to pass the substitute measure that reason and sound judgment was swept aside by passion. Now, we are faced with the possibility of having no improvement in minimum wage standards, despite President Eisenhower's plea for such legislation, because the members of his own party rammed this poorly drafted amendment through the House.

These are the consequences brought about by trying to rush and ram legislation through this body. It will continue to exist so long as the coalition insists on sweeping aside committee recommendations and writing ill-conceived legislation on the floor of the House.

So there can be no question as to the accuracy of my interpretation of this amendment, I should like to read to the

House a letter I have just received from the U.S. Department of Labor:

U.S. DEPARTMENT OF LABOR,  
WAGE AND HOUR AND  
PUBLIC CONTRACTS DIVISIONS,  
Washington, D.C.

Hon. ROMAN C. PUCINSKI,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN PUCINSKI: This is in response to your oral request for a summary of the effects of the Smith amendment to the bill to amend the Fair Labor Standards Act which was passed on June 30, 1960.

This amendment would appear to broaden the "area of production" exemption, section 13(a)(10) of the act, so that it would apply to any individual employed in a county in which an agricultural or horticultural commodity, including livestock or poultry, is produced in commercial quantities, except that the exemption would not extend to employment in the corporate limits of a city of 250,000 or more population. The result would probably confine minimum wage and overtime protection under the Fair Labor Standards Act, with few if any exceptions, to employment in the large cities.

As I read the amendment, its enactment would remove 14 million of the 24 million workers now protected by the minimum wage provisions. The great bulk of these workers would also be denied overtime protection to which they are presently entitled.

Additionally, it appears that as a result of the amendment, the number of newly covered workers would be 500,000 instead of 1.4 million as estimated before the Smith amendment was added.

In reading the CONGRESSIONAL RECORD for June 30 (p. 15223), it would seem that the amendment was intended to concern only the agricultural processing industries. However, the text of the amendment seems to go much further as indicated above.

Sincerely yours,

CLARENCE T. LUNDQUIST,  
Administrator.

I say, Mr. Speaker, that these are the type of mistakes that can be made and will be made so long as this Congress insists on ramming legislation through in a hurry by permitting a coalition to gag discussion on these vital issues. This is a mistake that could affect 14 million workers. Actually it seems to me this mistake could very well preclude any extension or improvement in the Fair Labor Standards Act this session.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Iowa.

Mr. WOLF. I want to congratulate the gentleman for making this statement. The information he is giving us is very important. I feel it should be heard by all the Members. I hope the gentleman will bring this to the attention of the other body. I congratulate him for taking such prompt action and bringing to our attention the full effects of this amendment.

Mr. TRIMBLE. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. SMITH].

#### CALL OF THE HOUSE

Mr. WOLF. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. CHELF. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 172]

|                |                 |                |
|----------------|-----------------|----------------|
| Alford         | Garmatz         | Pilcher        |
| Anfuso         | Jackson         | Preston        |
| Auchincloss    | Johnson, Calif. | Roosevelt      |
| Bennett, Mich. | Jones, Ala.     | Shelley        |
| Bentley        | Karth           | Sheppard       |
| Blatnik        | Kearns          | Smith, Iowa    |
| Blitch         | Keogh           | Smith, Kans.   |
| Bowles         | Kilburn         | Spence         |
| Brown, Mo.     | McMillan        | Steed          |
| Buckley        | Macdonald       | Taylor         |
| Budge          | Mason           | Teague, Tex.   |
| Burdick        | Minshall        | Thompson, N.J. |
| Cooley         | Mitchell        | Tollefson      |
| Diggs          | Morris, Okla.   | Vinson         |
| Durham         | Passman         | Younger        |

The SPEAKER. On this rollcall 386 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### AMENDING FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

The SPEAKER. The gentleman from Mississippi [Mr. SMITH] is recognized.

Mr. SMITH of Mississippi. Mr. Speaker, I regret very much that due to my error in drafting the amendment or an error in the transcription, the amendment which I offered yesterday to the substitute bill which was adopted by the House could be so interpreted that it would under any condition take out from coverage any workers under the Fair Labor Standards Act other than those who would be subject to the interpretation of the area of production in agricultural areas.

The amendment, as I stated on the floor, is designed only to write into law a definition of "area of production," whereas today that term is subject to definition by the Secretary of Labor. As I drafted the amendment it was to the effect that workers in agricultural processing and handling industries within counties where that agricultural commodity is grown commercially would be exempt from the law. That has been the intent of the Congress since the first act was passed. But because the definition has been left to the Secretary of Labor there has been some confusion, as I pointed out. They have used the figure of 2,500, where an establishment is in a town of that size or within 1 mile of it. My amendment is to eliminate that unfair coverage in that case and in others.

Because of the mistake in the drafting of the amendment I have already been in conference with the chairman of the Senate Committee on Labor to make it clear that there was no idea whatsoever that the amendment did anything more than what I have just said.

On yesterday time did not permit full explanation of the legislative intent of the amendment. I feel sure the Members of the House know I would not under any circumstances mislead them about any feature of legislation or



amendment I might offer, and I think my legislative intent was clear. Unfortunately, yesterday, I did not have a great deal of time to explain the amendment. There certainly was no effort made to put it through without explanation. When the distinguished chairman of the committee sought to limit debate I objected in order to get more time.

Mr. PUCINSKI. Mr. Speaker, if the gentleman will yield, I want to thank him for the explanation he is making.

I think there is no question but what the amendment will be promptly rewritten to properly carry out the purpose for which it was offered, and I hope no Member of the House will entertain any idea that I had the slightest ulterior purpose in mind when I offered the amendment.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. ROOSEVELT. I would like to say that the gentleman discussed his amendment with me and the impression I got at that time is as he expressed it here today.

Mr. SMITH of Mississippi. I feel sure that the Senate in its consideration of the legislation will correct the situation.

#### AREA OF PRODUCTION

Let me emphasize that my amendment is designed to do just one thing, and one thing only. It defines the area of production of any agricultural or horticultural commodity, including livestock and poultry, to include every county in which the commodity is commercially produced, the only limitation being that the area of production shall not include a city with a population of 250,000 or more, as reported in the 1960 census.

The need for this amendment is clear. When the Fair Labor Standards Act was passed in 1938, Congress recognized the need for exempting certain types of employment relating to agriculture. Included among these are processes and operations involved in preparing for market and handling agricultural commodities. This exemption was applied within the area of production of the particular commodity involved. The Congress, however, gave the Secretary of Labor the authority to say what the area of production included.

Unfortunately the Secretary of Labor's definition of "area of production" has led to considerable inequity and confusion.

The extent to which this definition has nullified the intent of Congress is illustrated by the fact that cotton warehouses located in my home county, where growing cotton is the major source of income of the people, are not considered by the Secretary's definition, to be in the area where cotton is produced.

My amendment simply defines the area of production and in no way changes the type of workers exempted. To repeat, the area of production of an agricultural commodity under the definition includes the counties in which the commodity is grown commercially—except for cities of over 250,000 population.

The act as changed by my amendment would read as follows:

#### EXEMPTIONS

SEC. 13. (a) The provisions of sections 6 and 7 shall not apply with respect to (10) any individual employed within the area of production, which shall include all of each county in which any agricultural or horticultural commodity, including livestock and poultry, is produced in commercial quantities, except that it shall not include the corporate limits of a city or municipality having a population in excess of two hundred and fifty thousand as reported in the 1960 census, engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Texas to make a unanimous consent request.

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks immediately following the vote to override the veto on the pay raise bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from California [Mr. BALDWIN] for a consent request.

Mr. BALDWIN. Mr. Speaker, I ask unanimous consent to insert my remarks in the RECORD immediately before the passage of the conference report on H.R. 7634.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. QUIE] for a consent request.

Mr. QUIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD following the vote to override the veto on the pay raise bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I move the previous question on the resolution. The previous question was ordered.

The resolution was agreed to.

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9996) to amend section 402 of the Federal Property and Administrative Services Act of 1949, to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the United States to the injury of the economy of this country.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9996 with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Florida [Mr. FASCELL], will be recognized for 30 minutes, and the gentleman from Ohio [Mr. BROWN] for 30 minutes.

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am going to take some time and move rather slowly on this legislation. From the conversations I have heard during the discussion on the rule, it is obvious there is a great deal of misunderstanding concerning this legislation. I will do my best to clarify exactly what we are attempting to do here and I hope to dispel any misunderstanding. I want to start out by assuring my colleagues that the committee in bringing out this bill does not seek to do injury to anyone, it does not seek to do injury to any industry, any business, or to the economy of the United States. Quite the contrary, we were very mindful of these factors and we believe that we have taken them carefully and fully into consideration. I am sure when I have concluded my discussion most of you will agree with me.

I would like to start out and get the frame of references on this legislation—that is, the act itself. We are dealing with the Federal Property and Administrative Services Act, as amended, particularly and specifically with a section thereof. I want to briefly review the declaration of policy on the part of Congress in adopting that original act which we now seek to amend by this legislation.

Section 2: It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system.

Then it goes into other matters down to subsection (c):

The disposal of surplus property.

This is a part of the congressional intent in passing the act.

An economical and efficient system for the disposal of surplus property.

Still reading from the act:

The term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities as determined by the head thereof.

The term "foreign excess property" with which the section we seek to amend specifically deals means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

Going over to the section of the act which this bill specifically seeks to amend:

SEC. 402. METHODS AND TERMS OF DISPOSAL. Foreign excess property—

And keep in mind the definitions which I have just alluded to—may be disposed of by (a) sale, exchange, lease, transfer—

And so forth—but in no event—

This is the present law I am reading—

shall any property be sold without a condition forbidding its importation into the United States.

In other words, the disposing agency overseas shall sell the property but only with a condition forbidding its importation into the United States. I emphasize that fact because this is a contractual provision between the disposing agency of the U.S. Government and the purchaser at the time. This is one of the problems with which we deal. The act provides a condition forbidding property importation unless the Secretary of Agriculture, in the case of agricultural commodities, or the Secretary of Commerce, in the case of other property, determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country. Upon such a finding, then the condition no longer applies, an import permit is issued and the property may then be brought in. This is the present law.

Now, keeping that frame of reference, I would like to discuss very briefly how the Committee on Government Operations got into this problem.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Wisconsin.

Mr. JOHNSON of Wisconsin. I was following your reading on page 2 of the bill—

Mr. FASCELL. I was reading out of the act.

Mr. JOHNSON of Wisconsin. The committee report does not agree with what you read. In section 402 "injurious to the economy of this country" is the way the law reads at the present time, and you are striking that language out.

Mr. FASCELL. I think the gentleman is mistaken.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from New York.

Mr. BARRY. That provision there is the way it was originally in our legislation. That is now being changed by virtue of the amendment.

Mr. FASCELL. I thank the gentleman from New York.

Now, the Committee on Government Operations got into this problem back in 1958. I want to bring this out, because I have been asked the question, where did this bill originate? So, I want to tell you. It originated with the committee and with the department. Back in 1958 we had some complaints from manufacturers and dealers with respect to the administration of the present law. Basically the complaint was that because of administrative difficulties within the department there did not seem to be any definite criteria for determination on when property would come in and when it would stay out. It seemed like one case would be decided one way one time and another way another time. This was what the committee was confronted with when it held hearings in 1958 on this particular section of the law.

We went into this matter and took a considerable amount of testimony, mind you now, dealing with the administration of the present law by the Department of Commerce. We got through with those hearings and we issued a report which basically said to the Department, "All right, now, let us tighten up your procedure there so that anybody that comes to you will have definite rules to follow, and also let us set out criteria so that any businessman, be he a manufacturer, dealer, or importer, can come here and each will understand and see for himself what these criteria are."

The Department went ahead. They shuffled some personnel around, issued rules and regulations, and they began to follow the recommendations of the Committee on Government Operations with respect to this law.

After a period of time, about a year, we found that by the establishment of rules and regulations, and by the establishment of procedures and criteria, the complaint was then made on the other side of the scale that the administration of this law now had become so strict that it was hurting other American businessmen, the importers. So, we held hearings on this complaint.

Basically the committee has agreed that as a result of the department trying to comply with the original recommendation of the Committee on Government Operations it has brought about this result. We therefore took upon ourselves, the committee and the Department, to examine the law to determine what could be done or what should be done with respect to its modification, to improve its administration, to make it more equitable for everyone. The result of that has been this bill. We have been at this a long time, mind you, starting back in 1958.

The counsel for the Department of Commerce testified, speaking with respect to the effect of the administrative problems of the present law:

The administration of section 402 has been troublesome in the extreme.

This is the Department speaking now.

The criteria expressed in section 402 have been difficult to interpret and to apply.

We, as I say, have worked with the Department in arriving at the language which they feel would be suitable, which they feel is proper to carry out their responsibility as expressed.

They believe at the present time, and the committee is so advised in writing, that the present bill as reported by the committee, with the committee amendments, will do the job.

I want to refer also specifically to the testimony of Mr. Drumm in the committee hearings. He was the Assistant Director of that section in the Department of Commerce.

Mr. Drumm, according to the thinking that you have done, would the change from the general criteria of injury to the economy to the new language "production and employment—

Which is the criteria.

make any real difference in the amount of goods that would be imported into the country?

We will get into that question. He says not necessarily so, but—

We have a more readily workable basis.

Then again he says:

So if you apply the criterion of production and employment—

Which we do in this bill—

I think you have something that is more readily measurable.

This is the language which we have incorporated in the bill.

Let us examine the bill itself and its purposes. First of all, we provide that it shall be unlawful to import foreign excess property. You will recall that under the present law it does not state that at all. It says that property shall be sold only with a condition of sale, et cetera. That is a contractual obligation between the U.S. Government and the first purchaser. It does not affect any subsequent purchases for value, in good faith, without knowledge. It cannot be enforced, has not been enforced, and there is no way to enforce it.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield.

Mr. BRAY. I am at a loss to understand exactly how this operates. This applies to property owned by the United States abroad and it has to do with shipping it back into the United States, is that correct?

Mr. FASCELL. Well, yes, it does. It is property that is owned abroad and which is disposed of abroad under the terms of this law.

Mr. BRAY. And then is returned to the United States, is that right?

Mr. FASCELL. No, sir; it is not returned automatically. It has to be sold.

Mr. BRAY. Let us assume we had goods in Italy owned by the United States. They sell it to someone abroad. This has to do with his bringing that property back into the United States?

Mr. FASCELL. Yes, sir. This bill provides that it shall be unlawful to bring that property into the United States unless a determination is made—and I will go into that if the gentleman will permit me to finish—

Mr. BRAY. I just want to get at what specific goods this applies to.

Mr. FASCELL. It applies to any property within the definition that I gave a moment ago under the present law which applies to excess property.

Mr. BRAY. I understand that, but I wanted to know whether it would apply to surplus rifles that would be sold abroad.

Mr. FASCELL. Any excess property.

Mr. BRAY. It would apply to excavating machinery, armament, things of that kind?

Mr. FASCELL. Any excess property. If the gentleman will permit me to finish, I will explain it. We do not change the definition of property at all. We do not enlarge upon it, we do not diminish it. I think I understand what the gentleman is driving at, but in order to be absolutely clear I will repeat it. That is the reason I started out by defining what we mean by excess property, and foreign excess property. The definition is still



in the law. We do not change it. We do not add to it, we do not take from it. But we do make it unlawful to import.

That is what this bill does. It is not now in the present law. It is not unlawful under the present law. The present law only provides a condition. Under the proposed amendment we make it unlawful to bring property in unless there has been a determination. That means we are tightening up the law in that respect because this brings them under existing criminal laws, the Smuggling Act. We also provide in here something that is not provided in the present law—*forfeiture of property*.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield.

Mr. JOHNSON of Wisconsin. Right in line with what the gentleman is saying, turning to page 4, is not this what the present law provides? It determines that the importation of such property would be injurious to the economy of this country. Have you not changed that language and changed the burden of proof?

Mr. Chairman, I realize the Committee on Government Operations has spent a considerable amount of time studying this problem and would like to resolve it to the satisfaction of all concerned. The committee is to be commended for its thorough consideration of the problem. Unfortunately, I must disagree with the solution proposed by the committee. The solution is not going to please anyone and we will be confronted with this same problem next year.

Under the present law, at least we have a standard that is measurable. Under the committee's proposal, the Secretary, at best, would be in the realm of speculation. If he could determine the impact on production and employment as the result of one or more shipments of foreign excess property for sale on the domestic market, he would be much wiser than Solomon.

The committee report would indicate that we should concern ourselves with the revenue that would be derived from the sale of this foreign excess property on the domestic market. According to testimony before the committee, the Government realizes 7 percent of acquisition cost on sales of foreign excess property, while it only realizes 5 percent on the sales of surplus property disposed of in the United States. There is no indication that we are having difficulty in disposing of foreign excess property to foreign buyers. The economics of this situation and the justification for bringing this property back into the United States is beyond my comprehension. For every unit brought back it means one less unit produced in the United States. For the loss of every unit produced in the United States, we have lowered the number of productive hours of our workers. With less production and less employment, we have less Federal, State, and local taxes. We realize more on the disposal of foreign excess property than we do on disposal of domestic surplus—yet the only real benefit of bringing this property back would be lower domestic production and employment. We realize less on the sale

and we realize less in the way of taxes—yet it is claimed that the return of this property would have an overall benefit.

Mr. FASCELL. The gentleman is not correct. I should like to go ahead and finish my statement. We have been over that once before. I will show what the amendments have done.

Mr. RIEHLMAN. If the gentleman will yield, may I suggest that he refrain from yielding until he has completely explained the bill to the House. I think the Members will better understand the provisions and what the gentleman is trying to explain.

Mr. FASCELL. I appreciate the gentleman's making that comment. I should like to finish my statement, and I believe that will answer many of these questions.

The gentleman from Wisconsin has raised the point, although unfortunately it is not correct. We do not use the words "injurious to the economy of this country." That was the original bill. That language has been changed, those criteria have been changed by a committee amendment that was adopted unanimously which says that it shall be unlawful to import such property into the United States after such sale or other disposition unless the Secretary of Agriculture or the Secretary of Commerce determines that importation of such property would not result in undue loss of production or employment in any industry in the United States. The gentleman's copy of the bill does not have that in there. These are the committee amendments that have been adopted by the committee.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield.

Mr. BROOKS of Louisiana. On page 2, what the gentleman read is not included in the bill.

Mr. FASCELL. I said that. The gentleman is correct. That is not there. That is an amendment which is a committee amendment, which is at the desk.

Mr. STRATTON. Mr. Chairman, will the gentleman yield for a clarification?

Mr. FASCELL. Yes.

Mr. STRATTON. Will my friend tell me if it is not correct that the action being taken in regard to splitting this legislation was at the request of those who wanted to import this material into this country? The reason it has been introduced is to make it easier to bring this material in. The situation was lax, then they tightened it up. Now the committee, as I understand it, is offering this bill so as to make it easier to bring this material into this country.

Mr. FASCELL. The gentleman is entitled to his own interpretation, if he wants to put that interpretation on it. I say that is not a fair or reasonable interpretation. The Department feels that having a more definite and measurable criteria this might liberalize the present law with respect to the issuance of permits for the importation of property. But before you get all excited and jump down my back and say that we are opening the floodgates to foreign properties coming into the United States, let me finish my statement. Then I will yield for more questions.

No. 1, as I stated, we make it unlawful now, and it is not unlawful in the present law. Does the gentleman or anybody state that is a liberalization or tightening of the law? From where I stand it is a tightening of the law. You can interpret it any way you like. We change the criteria. The criteria in the present law I read, and I will do it again:

Unless the Secretary . . . determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country.

We changed that criterion and we changed it because the Department said that the new criterion is one which they feel is more readily measurable and definable and more equitable in its interpretation, and will relieve them of a tremendous administrative problem which they have had on this law. So we say it shall be unlawful to import unless the Secretary makes the interpretation that it would result in undue loss of production or employment.

Then we added another amendment: "In any industry in the United States."

Mr. FLYNT. I dislike to interrupt, but if the gentleman will yield, is it not true that the committee amendment, as adopted by the Committee on Government Operations, is exactly as it appears on page 2, lines 9, and 10, rather than the language that the gentleman has just quoted?

Mr. FASCELL. I am happy to explain this again. The language "in any industry" which does not appear on page 2 of the bill is a subsequent committee amendment.

Mr. FLYNT. Would it not be more accurate to call it an amendment to the committee amendment?

Mr. FASCELL. You can call it that if you like. But it was an amendment adopted unanimously by the committee. The only reason it does not appear is because this arose during the discussion on the rule.

Mr. FLYNT. Will you explain the meaning of the italic after the words stricken out in the preceding language?

Mr. FASCELL. That is a committee amendment.

Mr. FLYNT. The committee amendment does not contain the language that the gentleman quoted, but the amendment to the committee amendment would purport to do that.

Mr. FASCELL. All right. Technically, the gentleman is correct. Nevertheless the language is in the amendment at the desk to do what I have said. It was felt this would be a more accurate definition.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Minnesota.

Mr. WIER. I gather now that many of us have received considerable mail from the manufacturing companies.

Mr. FASCELL. I appreciate that.

Mr. WIER. But I imagine from listening to your explanation that many of those letters of protest have come as a result of the original bill?

Mr. FASCELL. That is true.

Mr. WIER. As I understand you now, these changes you made were since this propaganda went out?

Mr. FASCELL. The gentleman is absolutely correct. I tell you that in my honest judgment this committee has done everything in the world it could possibly do to protect American industries. The American importer still has to go to the Department, still has to get a determination.

We have not gone into other facets of this problem which bear on the equity of the situation, and I would like to do that before I yield any further.

Mr. BALDWIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

The gentleman from Florida will proceed.

Mr. FASCELL. I am going to move along quickly now into the remaining parts of the bill. We have already covered two points so far showing what we seek to do under this bill: Make it unlawful to import, which is not in the present law; and we changed the criteria, which the Department feels is better.

We now come to something else. We give the Secretary of Commerce specific power to make rules and regulations dealing with this problem, something he has never had in the law heretofore. He has done it, but he has not done it under authority of law. Under this bill we give him that authority. That is not liberalizing. If anything it looks to me as though we are tightening up the law.

The next thing we do is this: The Secretary has been allowing the importation of this foreign excess property under bond for the purpose of being refurbished and repaired and then to re-export that property. It does not enter the economy of the United States at all. He has been doing that administratively. Under this bill we give him the authority to do it by law.

A number of Members have gotten letters and complaints expressing fears about the effect of property admitted under bond. The administration, even without the proposed law, has not been admitting that property into the economy of the United States. This bill will give him no right to do that. It continues, however, a very helpful practice of bringing excess property in under bond and allowing it to remain here for repair and refurbishing. That helps our economy. The person is then allowed to re-export it.

It looks to me as though we are tightening up the law.

Let us briefly get into another part of this problem. How big is it? What are we talking about in terms of size? Let us examine it. Here is a report of record; a report from the U.S. Department of Commerce made to our committee on foreign excess property for the calendar year 1959. In 1959 there were 370 cases considered by the Department. Listen to this: There were 370 cases considered by the Department. Approved for import, 68; disapproved for import, 272. Acquisition cost of property covered by the import applications received in 1959, was \$75 million. In other words, the total value acquisitionwise of property for

which application was approved was \$75 million; disapproved, around \$65 million worth. Acquisition cost on which authorization was issued was only \$10 million worth. But only \$3 million of property was finally imported.

Mr. PELLY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

| [Roll No. 173] |               |              |
|----------------|---------------|--------------|
| Abbitt         | Davis, Tenn.  | Preston      |
| Abernethy      | Diggs         | Rogers, Tex. |
| Alford         | Evins         | Scherer      |
| Aspinall       | Harrison      | Smith, Iowa  |
| Auchincloss    | Jackson       | Smith, Kans. |
| Barden         | Kearns        | Smith, Va.   |
| Bennett, Mich. | Keogh         | Springer     |
| Bentley        | Kilburn       | Steed        |
| Blatnik        | Lesinski      | Taylor       |
| Blitch         | McSweeney     | Tuck         |
| Bonner         | Mason         | Vinson       |
| Bowles         | Minshall      | Willis       |
| Brown, Mo.     | Mitchell      | Wilson       |
| Buckley        | Morris, Okla. | Withrow      |
| Burdick        | O'Hara, Mich. | Younger      |
| Celler         | Pilcher       |              |
| Cramer         | Powell        |              |

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 9996, and finding itself without a quorum, he had directed the roll to be called, when 383 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Florida, Mr. FASCELL.

Mr. FASCELL. Mr. Chairman, this discussion has been so absorbing and exciting that I have run out of time. My colleagues have been promised time by me. I hope they will take time when we read the bill under the 5-minute rule, and I will be glad to answer any questions, and I am sure my colleagues on the minority side will do a very fine job.

Let me say this, we are not opening the floodgates for the importation of a lot of property. We are not trying to injure domestic industry, whether it be manufacturers or dealers or sales people. We believe we have a law which the Department says they can administer equitably. It gives them a provision for enforcement which will do a good job. I know many of you are concerned because you have heard from your people that this may injure them.

Mr. FOUNTAIN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield.

Mr. FOUNTAIN. I would like to ask the gentleman from Florida if the committee did not amend the bill in an effort to protect domestic industry.

Mr. FASCELL. The gentlemen is absolutely correct. It has been pointed out before that many letters that expressed concern over this matter were probably directed to the original bill. The committee amendments which will be offered we believe take care of most

of those objections, if not all. We believe we have a good bill and I trust it will be supported.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, perhaps I may be able to help clear up some of the misunderstanding about this legislation if I am given an opportunity to make a statement without interruption, following which I will be glad to answer any questions I can, or to yield to my other colleagues on the committee.

First of all, let me say that for a number of years we have had a law, as explained by the gentleman from Florida, on the statute books, that permits the Department of Commerce in practically all cases—the Department of Agriculture in connection with a few—to issue licenses for the importation of Government-owned surplus property that was purchased in the United States and shipped overseas, then reimported into this country for sale.

For some time those import licenses were issued rather generously by the Department of Commerce. As suggested, there was a great deal of complaint from different industries in the United States that too many of these goods were flowing back into this country.

First of all, I think I should point out that it is the law, and the rule, that as much of this surplus property as possible shall be sold overseas before any is reimported into the United States.

Next, let me say very frankly to you that there have been a great many American manufacturing concerns that have not been at all dilatory in selling everything they possibly could to the Federal Government, whether the Federal Government wanted it, or needed it, or did not.

Let me also say that there has been a demand on the part of certain people called American taxpayers to recover something from the sale of this surplus property, and from all the money invested in it, that some part of it should be returned to the Treasury.

As a result of these complaints from industry against the licensing system of the Department of Commerce under which these goods flow back into the United States—we held hearings for months, and months, and months, during practically all of 1958. We found there was a good deal of justification to the complaints that had been made by some industries and some manufacturers as to the rather heavy shipment of these surplus commodities into this country. As a result of those hearings, and because we had the Department of Commerce officials before us they decided to tighten up on these licenses but asked us to give them a new and better law under which to operate. Thus this bill was brought into being, based on the recommendations of the Department of Commerce and officials of other departments of the Federal Government. However, the committee finds it did not go far enough to properly protect American industry and labor from these imports. Remember, it has not been unlawful, and is not now under present law, to import these surplus commodities



back into this country after a license is issued by the Department of Commerce. There is nothing in the present law that prevents it. So we wrote into the pending bill a new concept, a new idea, to protect American industry and American labor from this flow of goods into this country.

We provide in this bill that it shall be unlawful to reimport these surplus goods unless certain things are first found by, either the Secretary of Agriculture in a few instances as the case may be, or the Secretary of Commerce in most instances, as is usually the case. For the first time it will be unlawful to import these commodities, and if anyone does import them in violation of the proposed law he will be guilty, under the Smuggler's Act, and could be prosecuted and sent to prison.

Now, let us go on for a moment. Unlawful unless what? Remember, there are amendments in this bill, you will see some of them, not all of them, others will be offered by the committee. Unlawful "unless the Department determines that the importation of such property"—to wit, this surplus property—"would not result in any undue loss of production or employment in any industry in the United States."

That is one of the amendments which will be offered. There has to be a positive finding by the Department before it will be lawful to import any of these surplus goods. There must be a finding it will not injure any industry or cause any unemployment, or affect production. None of that. This is pinned down, and it was my amendment that was adopted unanimously by the Committee on Government Operations, after the Rules Committee requested, that tightened the bill up.

I made that request, and I put in the words and suggested the amendment "in any industry."

What does that mean? It means on an application to import or reimport screwdrivers, the Department will not have to check the economy or the whole industrial picture of the United States or the national employment picture. The Department finds out whether or not it will have any undue effect on the screwdriver manufacturers in the United States, of which there may be a half dozen. It does not have to check everything. It might create unemployment in one district, but that might not affect the whole industrial picture, or the employment picture, in the entire United States. That is why we pinned it down in this bill to "any industry."

In other words, the Department cannot let it come in unless it makes an affirmative finding that it would not be injurious to the production of, or to the employment situation in, any industry in the United States.

Now, let me give you a few facts. I know that you have had a lot of letters, telegrams and messages from some of your industries back home. I know exactly why these messages were sent to you—and from whom they came—let me put it that way. I had notice served on me by the man who inspired them. Out in Ohio we call such men molders of public opinion and directors

of legislative activity. This gentleman notified me and other members of the committee that he would build a fire under the committee, and under the bill, by putting the heat on, and so forth. He represents just one organization in this town, or just one group. Of course, he has a right to do so, I do not criticize him for that, but I know there has been a great deal of misinformation sent out because I have received hundreds and hundreds of letters from manufacturers and other organizations who thought this bill would injure them, but did not know or understand what was in it.

I sent copies of the bill out to many of these same manufacturers, in my State especially, and asked them to have their attorneys go over the legislation thoroughly. At least 75 percent came back and said "We do not see anything harmful in the bill, we think it will be helpful. This will protect our industry, this will protect us from these surplus importations."

This bill will not cause unemployment or reduce production in this country, or here at home. I have had attorney after attorney, some of them representing the biggest corporations in the United States, say that this bill gives American industries more protection than they have ever had under the present law, or ever will have.

Now, let us get down to brass tacks. If you want to follow the suggestions made by one man who represents one organization, all right. Maybe he does not want this bill enacted, I do not know. Maybe somebody can make more money under the old law, I do not know; but I do know that practically everybody who has read and studied this law, as it is amended, or will be amended by the committee amendment, says it gives greater protection than they have ever had before.

The Department of Commerce sets down guidelines, and it makes it easier for it to determine whether or not these importations would be injurious to production or to employment, because it only has to check within the one industry. Of course, anybody who is being injured by such a suggestion, to wit, the application for the right to import these goods, will immediately make a complaint. He will immediately say, "No, this will hurt us; this will cause greater unemployment in our industry," and then the Department cannot issue an import license under this bill. I do not know what more anyone wants to protect his industry. I think this is something that has to be done. I am not in the import business; I do not have any stock in any factory that would be affected by this bill one way or the other. So far as I am concerned, I do not give a whoop what you do about it, except I just hate to see a lot of my good friends and colleagues misled by the activities, and the messages sent out by one individual to a lot of people who have perhaps not read the bill, because every time we send them a copy of the bill as amended and explain it to them, almost unanimously—not quite, but almost unanimously—they come back and say this proposed law is wonderful; that it gives more protection than they ever

had before. And, I do not like personally—and I say it to the gentlemen here at this time—to have some fellow primarily interested in some little group put the heat on me and, as he told the committee, he will make us all jump through the hoop. If you want to do that, all right; I do not care what you do, but I will not jump. I will stand on my own two feet, and not let any special paid representative of any group tell me what I am going to do as a Member of this body. I hope he will not be able to tell you what you should do. Anybody who wants to can disagree with this legislation. He can vote any way he feels about it. Here are the facts.

I now yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, I agree with the gentleman from Ohio and the gentleman from Florida that this bill does in some respects tighten up the present situation, and I am in favor of that. But I have some questions about the language on page 2, line 9, the committee amendment, with the additional language which will add "in any industry," which is at the Speaker's desk. I would like for the gentleman from Ohio, who has said this language will require a positive determination by the Secretary that the importation of these articles will not result in any loss of production or employment, to tell me what the word "undue" in that line means.

Mr. BROWN of Ohio. Well, if it means one person is out of a job, that would not be undue unemployment. There has to be some discretion. You cannot just say that we are going to have to let a janitor go. It is unlawful unless the Department first finds out it will not do that.

Mr. JONAS. But he has to find that it will not result in undue unemployment.

Mr. BROWN of Ohio. That is right. The Department has to find that it will not result in those things, and the word "undue" means exactly what you and I understand the English language means. If it is inconsequential, does not have any real effect, then, of course, it is not undue. If it does have a real effect, it is an undue injury.

Mr. JONAS. Of course, it has an undue effect on the person who loses his job.

Mr. BROWN of Ohio. Oh, if you get down to where you say it shall not affect any individual in the Nation at any time, that is going a little far afield. You cannot just say it affects a person by the name of Brown, who is paying taxes, for he ought to get a little money back for him without injuring anyone.

Mr. WALLHAUSER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New Jersey.

Mr. WALLHAUSER. I would like to say that I have had more than one industry communicate with me.

Mr. BROWN of Ohio. Oh, sure. They broadcast these letters and telegrams from Washington all over; I know that.

Mr. WALLHAUSER. I should like to ask whether in the word "industry" you mean to include wholesalers, retailers, distributors?

Mr. BROWN of Ohio. Certainly, anybody connected with production and sale of any particular commodity.

Mr. WALLHAUSER. Furthermore, can the gentleman tell me how the Secretary of Commerce can determine in advance what influence it will have on any industry?

Mr. BROWN of Ohio. He would be required to determine that as set out under this act. It is unlawful for him to issue any permit for these goods to come in unless he first checks with the industries affected to see what the results would be. And if he finds that the results would be bad, as stated in the bill, then he does not have the authority to give the license that the gentleman mentioned and the imports could not come in.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. STRATTON. The gentleman has said that the passage of this bill would be helpful to the taxpayer. I wonder if the gentleman would not agree that under the present law it would be possible for an individual to have purchased some of this material for perhaps 2 or 3 cents on the dollar, to own it today; and if this legislation is adopted he would then be in a position to sell it at a substantial profit, but there would be no return to the taxpayers.

Mr. BROWN of Ohio. Whatever he paid for it would be returned to the taxpayers. To be frank with the gentleman, I do not know very many people who do not have the profit motive in mind when they buy from or sell to the Government.

Mr. STRATTON. If the man had already paid for it, whatever money was going to accrue to the U.S. Government has already accrued. The effect of this bill would be to make it possible for him to sell it here when otherwise he would not be able to.

Mr. BROWN of Ohio. If it has been imported he has the right to sell it. He has the right to sell it now under the proposed law.

Mr. STRATTON. Not in this country.

Mr. BROWN of Ohio. No. He has the right under the present law to sell it if he has already legally brought it in or imported it.

Mr. STRATTON. He cannot import it without having gotten this certification.

Mr. BROWN of Ohio. Oh, but they have been getting them. Why does not the gentleman come down here and hear the testimony, or attend some of these hearings. It is surprising how much you can learn when you have been around here a few years.

Mr. STRATTON. I appreciate I can be instructed by the gentleman. May I suggest the gentleman look at page 6 of the report. The report says that the reason for the introduction of this legislation was that importers of foreign excess property have been complaining that its application has amounted to a virtual moratorium.

Mr. BROWN of Ohio. As I explained in the beginning, when the first complaints were made, the Department ruled one way and let everything come in.

Then after we jumped on them and had some hearings, they ruled the other way for awhile. Next month, if you leave the law as it is, and do not adopt this proposed legislation, they might decide to open the importation door for everything again, or the next man who is in charge of that office may decide to do so.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mrs. CHURCH. I thank the gentleman for his explanation. This proposed legislation still is bitterly opposed by many in my district. Do I understand that there is to be another amendment other than the committee amendment, to be offered?

Mr. BROWN of Ohio. The other amendment, the one that is not in the bill, consists of the words "in any industry" in the United States. That is added. It pins it down to any industry.

Mrs. CHURCH. It was my understanding that there was to be another amendment offered which would even more definitely protect American industry. The gentleman is not aware of that?

Mr. BROWN of Ohio. There may be other amendments offered.

Mr. FLYNN. There is another amendment at the desk.

Mrs. CHURCH. I shall reserve my question, then.

Mr. BROWN of Ohio. I understand another gentleman has an amendment. That would come when we read the bill under the 5-minute rule.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MICHEL. May I say that I feel the same way the gentleman from North Carolina [Mr. JONAS] indicated about the words "undue injury." For instance, in the tractor industry, perhaps the importation of 1 or 2 is not so many, or 25. But the kind of machines produced in our district sell for roughly \$40,000 and represent 2,500 to 3,000 man-hours of work on each machine.

Mr. BROWN of Ohio. I understand the gentleman's problem. I think I know the company he has in mind, the Caterpillar Tractor Co. at Peoria, Ill. I have had communications from them. There is no question in my mind that the gentleman is right, that under this law the importation of 1 machine that takes 2,500 man-hours to build would be bound to have some injurious effect on the industry, or on employment, because they would not need those men to do the work if such a machine was imported.

Mr. JONAS. Mr. Chairman, will the gentleman yield further to me?

Mr. BROWN of Ohio. I yield.

Mr. JONAS. I looked up the word "undue." It means "excessive" or "immoderate." And a synonym for the word is "extreme."

Mr. BROWN of Ohio. I do not know which dictionary the gentleman consulted.

Mr. JONAS. The dictionary right here on the floor.

Mr. BROWN of Ohio. But if you have a synonym that would be better than "undue" I would be willing to accept it.

Mr. JONAS. It means extreme.

Mr. BROWN of Ohio. I do not think that is the way it would be interpreted.

Mr. TOLLEFSON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. (After counting) 120 Members are present, a quorum.

Mr. BROWN of Ohio. Let me say to the gentleman from North Carolina that I know he is a very close student of the English language. If he would rather have in place of the word "undue," and will offer an amendment to insert the word "harmful", to read "a harmful loss of production and employment," I should be glad to accept an amendment of that type, personally.

Mr. ROUSH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. ROUSH. My question is simply this: Do the new criteria which the present bill provides for make it easier or more difficult to import these surplus goods?

Mr. BROWN of Ohio. I think it will make it more difficult, and you certainly would make it more fair. This bill would be a better guarantee that it would in no way injure American production or employment in these factories or within any industry, not generally all over the country, but within the industry.

Mr. HECHLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from West Virginia.

Mr. HECHLER. I gather that the gentleman's opinion is that the word "undue" is subject to the rather subjective judgment of the Secretary of Agriculture and the Secretary of Commerce. I wonder if there is any standard by which those Cabinet members can judge.

Mr. BROWN of Ohio. As to the word "undue" the same thing happens under the present law. There has to be someone to administer, and make the final decision, in these cases. As I have said, if the word "harmful" would be more helpful than the word "undue", and would be interpreted as the gentleman from North Carolina has suggested he interprets it, it is perfectly satisfactory to me, because we would not support the making of a law where there would be any real harmful effect, whether we said "undue" or "harmful", or what.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. MICHEL. This material that has been imported and is in bond at present in this country—the gentleman from Florida mentioned it earlier—would this in any way affect that material which we now know is being held in this country?

Mr. BROWN of Ohio. If it is in bond, under a license permitted under the present law he could sell. If it is in bond, but not licensed, in other words, just for transportation out of this country to some place else, then of course it



would come under the new law, if this bill became law was first passed before any import license was granted.

Mr. MICHEL. The gentleman stated in answer to a question by the gentleman from Indiana [Mr. ROUSH], that this would not change the situation. Why, if it does not help the situation, do we want it?

Mr. BROWN of Ohio. Because they have not been helped by the present situation, but they have been sold a bill of goods by a certain group that seem to have a special interest.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I do not know whether I have any time left.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. YATES. I want to ask with reference to two provisions. One is on page 2, such property may be disposed of without advertising when the head of the executive agency concerned finds that by so doing it would hurt the industry.

Mr. BROWN of Ohio. I think that is in the general law now.

Mr. YATES. He may dispose of it without advertising. That is in the current law?

Mr. BROWN of Ohio. I think so.

Mr. YATES. Is there also a provision in the current law that says the head of the agency may authorize the abandonment of foreign excess property?

Mr. BROWN of Ohio. It is my understanding there is.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, the committee has made an effort to strike a balance between conflicting interests. The manufacturers of property which becomes surplus abroad do not want any of it to come back here and impair their market in any way. The consumers of that equipment, particularly where it may be in short supply here, would like to get it if they can find it in any surplus property abroad.

Then also we have the interest of the taxpayers and businesslike operations of the Federal Government. When we have property we do not need, what we ought to do is to dispose of it as quickly as we can and get the best return we can out of it and not hang on to it. We should not clutter up the disposal processes so that the taxpayers do not get anything out of the property which they own. Limiting markets in which surplus property can be sold is one way of impeding the disposal process and impairing a reasonable return from surplus property.

Now this has been quite a spirited discussion, much more so than the importance of the subject matter justifies. I would like Members to turn to page 16 of the hearings, to the testimony of Colonel

Rey, Defense Department disposal, March 1 of this year:

Colonel REY. There has been very little coming into this country. Are you interested in what we are disposing of?

Mr. HENDERSON. Yes.

Colonel REY. This has been a declining program for the last year or so. We hit our peak during fiscal year 1959.

The volume of disposals tapered off during the latter half of fiscal year 1959, and the figures I have available thus far for fiscal year 1960 disposal show a further decrease.

We are running right now roughly at about 50 percent of what we disposed of during fiscal year 1959 in the way of usable property, which is the type of property that the importers may be interested in purchasing in our overseas areas. At the present time thus far this fiscal year we have disposed of \$200 million at acquisition cost of usable property in the foreign areas. This compares with a total during fiscal year 1959 of \$735 million at acquisition cost.

I say this has been a downward trend, and it appears that it will continue that way because the vast bulk of supplies that were available in our overseas depots in places such as Japan and Air Force depots in the overseas areas has been pretty well cleared out now.

We have pretty well leveled off, and I would say that the volume for the next fiscal year, at least as best I can see it, will be approximately \$350 to \$400 million at acquisition cost of the property we will dispose of.

Of that, better than 90 percent is being purchased by buyers who are located in the countries where we are selling or in an adjoining country.

A very small percentage of buyers are coming from the United States or from other countries outside the country where we are selling. A good example here, for our sales in Japan we probably have 100 American buyers and we have over 2,000 buyers who are located in the Far East who are buying that property.

Of this, less than 10 percent is sold for export. The American buyers have been successful I would say on less than half of that. So when we start talking about what the departments sell overseas, which may eventually come into this country, I think we are down to a pretty low figure. We may be talking about \$15 to \$20 million at acquisition costs. That is my best estimate at this time.

Mr. HENDERSON. Would you estimate the amount of goods disposed of as domestic surplus property, by way of comparison?

Colonel REY. We are comparing usable property running around \$2 billion at acquisition cost domestic versus, as I say, \$15 million or \$20 million which might possibly come into this country as foreign excess imports.

And across the board this is pretty much generally the same type of property.

Now on some items, we may have an accumulation in the overseas area of a particular item that we do not have available here. But across the board we are talking about pretty much the same property types that we are disposing of in the United States.

Mr. HENDERSON. So that even though you may not want to make a judgment on the basis of specific industries, you would certainly conclude that on the basis of the economy as a whole, the importation of this foreign excess property is a negligible factor.

Colonel REY. It is a very small percentage of what we are disposing of overall when you compare foreign excess with surplus property disposal or sales.

Thus, we are talking about \$15 million or \$20 million worth of property overseas at its acquisition cost. We are annually disposing in this country of surplus prop-

erty of the United States, at the rate of about \$2 billion a year. This is not going to involve any great loss of employment and production in this country if only \$15 million or \$20 million worth of surplus property at acquisition cost owned by the Federal Government overseas is brought back to this country.

I think the committee did the best it could do. Perhaps there is some elasticity in the word "undue."

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Is it fair to say with reference to that figure actually involved that the value would be about 5 percent?

Mr. MEADER. I would not have the figure, but I was giving the acquisition cost. As we all know, surplus property does not sell at its acquisition cost ordinarily.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. STRATTON. Since there has been some question about the word "undue," I wonder if the gentleman would accept an amendment to strike out "undue" and substitute the word "any"?

Mr. MEADER. If you want to prohibit outright the importation of any surplus property, that might be one way of doing it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BROWN of Ohio. Mr. Chairman I yield 2 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, in legislation of this type that comes before us, the important thing to find out is the extent to which the business community is affected.

Bear in mind, that our experience is that we receive a higher selling price for foreign excess property than we do for domestic surplus property; and that there is \$2 billion worth of domestic surplus property generated every single year, with the expectation that it is going to be greater in the future.

Whereas, in the foreign excess property field \$745 million was declared as surplus during 1959, and the estimate is that it will drop almost 50 percent to approximately \$450 million for fiscal year 1960.

Let me say in conclusion for our side of the aisle that the important thing in passing a law is not just the law itself but what is going to be done with this law; and let me read you what the administrator says he is going to do under this law. I refer to page 14 of the report:

If this proposal were adopted, we envisage implementing it by regulations. It might be possible to categorize foreign excess property under the provisions of our suggested modification to section 402. In so doing, it would, of course be necessary to comply with the provisions of the Administrative Procedures Act. Conceivably there could be developed the following categories of foreign excess property:

(a) A "decontrolled list" which would include foreign excess property which might be imported;

(b) A "prohibited list" which would include property which might not be imported; and

(c) An intermediate category which would continue to be subject to individual determinations in response to specific applications.

In other words, the muddle that is now occurring in the Commerce Department would be reduced to the extent that you could catalog that which is "decontrolled" and that which is "prohibited." Only the remainder in an "intermediate" category would then be subject to the problems that we have had in the past 11 years.

The CHAIRMAN. All time for debate has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 512) is amended to read as follows:*

"SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but it shall be unlawful to import such property into the United States after such sale or other disposition if the Secretary of Agriculture (in the case of any agricultural commodity, food, or cotton or woolen goods) or the Secretary of Commerce (in the case of any other property) determines that the importation of such property would be injurious to the economy of this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

"The Secretary of Agriculture and the Secretary of Commerce may make any determinations, rules, regulations, and orders deemed necessary or appropriate to carry out their respective functions hereunder.

"Property which is imported in violation of this section or any determination, rule, regulation, or order promulgated hereunder shall be subject to forfeiture to the United States. All provisions of law relating to seizure, summary and judicial forfeiture, and condemnation for violation of the customs laws; the disposition of the property forfeited or condemned or the proceeds from the sale thereof; the remission or mitigation of such forfeitures; and the compromise of claims and the award of compensation to informers in respect of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have incurred, under the provisions of this section, insofar as applicable and not inconsistent with the provisions

hereof: *Provided*, That no sale of such seized or forfeited property shall be made except upon condition, supported by appropriate bond, that the property shall be exported to a destination other than the United States or reduced to scrap. Awards of compensation to informers under this section may be paid only out of funds specifically appropriated therefor.

"The importation into the United States of property disposed of as foreign excess property for the purpose of repair, reconditioning, or rehabilitation of such property and its reexportation thereafter, or for the purpose of transit through the United States, shall not be an importation to which this section applies, if the importer of such property shall, prior to such importation, furnish bond for the performance of such undertaking in such amount and on such conditions as the Secretary of the Treasury shall prescribe."

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 2, line 4, strike out the word "if" and insert the word "unless".

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 8, strike out "be injurious to the economy of this country," and insert in lieu thereof "not result in undue loss of production or employment in the United States."

Mr. FASCELL. Mr. Chairman, by direction of the committee I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL as an amendment to the committee amendment: On page 2, line 9, after the word "employment" insert "in any industry".

The CHAIRMAN. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. STRATTON. Mr. Chairman, I have an amendment to the committee amendment.

Mr. MEADER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MEADER. What is the situation with regard to amendments?

The CHAIRMAN. The committee has just agreed to an amendment to the committee amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that the Clerk again read the amendment to the committee amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Committee amendment offered by Mr. FASCELL to the committee amendment: On page 2, line 9, after the word "employment" insert "in any industry".

The CHAIRMAN. That has been agreed to.

Mr. STRATTON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON to the committee amendment: On page 2, line 9, after the word "in" strike out the word "undue" and insert "any".

Mr. FASCELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FASCELL. Mr. Chairman, is that amendment out of order since we have already adopted the committee amendment as amended?

The CHAIRMAN. The Committee has not adopted the committee amendment as amended.

Mr. FASCELL. Mr. Chairman, I understand that we have adopted the committee amendment. I was under the impression that the Chair had put the question on the committee amendment as amended.

The CHAIRMAN. The Committee has not adopted the committee amendment as amended.

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Mr. Chairman, just what is the question before the House? Is it not the amendment to the amendment as offered by Mr. FASCELL?

The CHAIRMAN. The committee amendment as amended has not been adopted. The Clerk will complete the reading of the amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON to the committee amendment: On page 2, line 9, after the word "in" strike out the word "undue" and insert the word "any".

Line 10, after "United States," insert "whatsoever."

Mr. STRATTON. Mr. Chairman, it seems to me that the issue here is very simple. The question is whether we are going to make it easier or harder for people to import surplus property into the United States. It is perfectly clear on page 6 of the committee report that this legislation is being offered in response to the demands of certain importers who want to make it easier to sell surplus property which they import into the United States.

The question before the House is whether we are going to stand by the criterion presently in existence or whether we are going to accept the new criterion offered in the committee amendment.

The present criterion puts the burden of proof on the importer. It says that you cannot import this stuff unless you demonstrate it is going positively to contribute to the welfare of the United States. And these importers have obviously found it is too difficult for them to offer that positive proof, so they come in here and ask us to change the rules and shift the burden of proof instead onto the United States to prove that there is going to be undue loss of employment as a result of this importation.

The gentleman from Ohio [Mr. BROWN], a distinguished member of the Rules Committee, and the gentleman



from Michigan [Mr. MEADER], have both made it quite clear that by "undue employment" they mean not just one job, but several jobs. In fact, the gentleman from Michigan [Mr. MEADER] acknowledged that unless we do throw somebody out of work, then you are going to put a complete moratorium on all imports. So if we adopt the committee amendment, and if we adopt this legislation itself, we are going to put somebody out of work. It is as simple as that. The question is how many American working men and women you and I are prepared to throw out of work.

It reminds me of the oft-mentioned difference between a recession and a depression. If it is your own job that is lost, then it is a depression; if it is somebody else's job, then it is just a recession.

I think we ought to make it perfectly clear here today that we are not going to adopt legislation that will put any American out of work. There are more than 18,000 people out of work in my district, there are 3 or 4 million people out of work throughout the United States.

I think we would be making a very serious mistake if we were to amend present law to make it possible for surplus property to be imported into this country with the full knowledge and in view of the admission of those supporting the legislation, that somebody—perhaps very many people—are going to be out of work as a result.

Mr. Chairman, I urge the adoption of my amendment.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is very obvious what the amendment does. The gentleman who offered the amendment is against the bill; he stated so. If you are for the amendment vote against the bill. The amendment goes to the guts of the matter. If you want to be unreasonable, this is the way to do it. The committee approach, we believe, is a reasonable and equitable one, one which the Department of Commerce says is subject to proper administration and which lays down criteria which are measurable.

I would add this further, that we do not do any shifting of any kind of burden. The responsibility is still on the Department of Commerce to administer this law. The Department of Commerce, representing all of the people in this country, in my opinion, will try to do the best possible job—one that is equitable; that is reasonable, and that is fair. We do not want to be unreasonable. In my opinion the amendment offered by the gentleman from New York is completely unreasonable, and therefore I would ask that it be voted down.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this controversy reminds me of the Aesop fable about the old man and the boy and the donkey crossing the bridge. First, the man rode the donkey and the people criticized him and said, "Look at the old man riding on the donkey and the little boy walking." So the man got off and the boy got on. Then they said, "Look. This youngster has no respect for old age."

So they both got on, and then the people said, "Look at that poor donkey carrying the man and the boy." So they both got off and carried the donkey, and he fell in the river.

First we have the manufacturer squawking, and then we have the consumers, contractors, and surplus dealers squawking; and when we try to please everybody, we are going to wind up with nothing.

The amendment offered by the gentleman from New York is, in effect, more than defeating the bill. The gentleman's amendment would, in effect, prohibit the importation of any excess property, and it would be stronger than the law today, because now all that is required is that there be an agreement signed not to import. But in this bill you make it unlawful and provide for seizure of the property if the law is violated. That is how ridiculous that amendment is. I ask that it be defeated.

Mr. STAGGERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I beg to differ with the proponents of this bill that this is a reasonable bill. I just want to know if the committee heard these different manufacturers when this bill was before them? May I ask the gentleman?

Mr. FASCELL. Yes. Everybody that wanted to be heard was heard.

Mr. STAGGERS. I did not ask that.

Mr. FASCELL. If the gentleman will let me answer, the answer is "Yes."

Mr. STAGGERS. Let me ask this question: Were they for it or against it?

Mr. FASCELL. Some were and some were not.

Mr. STAGGERS. Some were and some were not?

Mr. FASCELL. Yes.

Mr. STAGGERS. The ones I heard from are not for it. It seems to me that it is the consensus of opinion here that a lot of others also are against it.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New York.

Mr. BARRY. I think I can answer the question you put to the chairman of the subcommittee, the gentleman from Florida [Mr. FASCELL], by saying that originally the manufacturers were very much opposed to this, and after that time we did everything we could to meet that objection by changing the language in the bill, and then went further, after it went down to the Committee on Rules, to further safeguard.

No. 1, I do not think the manufacturers know about the amendment or about the amendment to the amendment. That was done to protect them. It is precisely what the gentleman is suggesting we should do.

Mr. STAGGERS. You mean to shift the burden of proof?

Mr. BARRY. No. The gentleman asked if the manufacturers approved this bill. Originally, when the bill was before us and we had hearings, they did not approve the bill. However, in order to meet some of the objections that were brought up, the language was changed not only to meet their objections but to meet suggested language of-

fered by the Department of Commerce that would meet the objections of these manufacturers. And, furthermore, the other day when we were before the Committee on Rules it was amended again to tighten it up.

Mr. STAGGERS. Mr. Chairman, I would like to get this point across. Under the bill as now constituted, these surplus properties may not come in unless they are beneficial to this country. Then they amended it and said that they could not come in unless it was shown that they were not injurious. Then after further discussion they referred to undue hardship. First the burden of proof had to do with its being beneficial to the United States. Then the second burden of proof was that it was not injurious, that it did not hurt the country. I think what I have said is not in controversy. It is in the law.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. BROWN of Ohio. Under the present law, it had to be proved, as the gentleman has said. But all of the goods have been coming in under the present law, not under the provisions of this bill.

Mr. STAGGERS. But the gentleman said awhile ago that the goods had stopped coming in after the gentleman's committee told the Department to stop it. I heard the gentleman say that.

Mr. BROWN of Ohio. I stated to the gentleman that the manufacturers had come in and complained that there were too many of these goods coming in and then it was prevailed upon the Department to tighten up.

Mr. STAGGERS. They changed the regulations, then, and after that they stopped coming in?

Mr. BROWN of Ohio. No; they did not change the regulations at all.

Mr. STAGGERS. Let me ask the gentleman from Ohio this. The importations ceased after these representations were made to the Department?

Mr. BROWN of Ohio. After the Department tightened up on the granting of these licenses to bring them in.

Mr. STAGGERS. Mr. Chairman, this bill would let them come in again, instead of tightening things up.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. STAGGERS] has expired.

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

In answer to the gentleman I would like to say that at the present time importers are bringing goods in and they may continue to do so under present law. This legislation would make it a rule by law rather than a rule by man. It tightens up the discretion in the Department of Commerce. In other words, the Department of Commerce does not have a clear-cut law in front of them defining exactly what they should or should not do. This bill takes care of that. It takes a lot of the discretion out of the Department of Commerce. A new Secretary of Commerce could change the procedure under the present law and let the flood gates down, under the authority he now has. This bill does what we always talk

about doing here in Congress, clearly defining the authority to decide under what circumstances surplus property shall or shall not be admitted to this country. It codifies a practice which under normal circumstances you approve of; that is, not giving the Administrator too much discretion, which would allow one Administrator to administer differently from another.

I think this bill will satisfy the gentleman's objections but apparently it is not clear in his mind.

Mr. PIRNIE. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. PIRNIE. The gentleman has stated that the testimony of the manufacturers before our committee was in opposition to the language of the original bill, is that correct?

Mr. BARRY. Of the original bill.

Mr. PIRNIE. Since that time there have been modifications of the language?

Mr. BARRY. Yes; that is correct.

Mr. PIRNIE. Has there been any contact made with those people?

Mr. BARRY. Yes, indeed.

Mr. PIRNIE. Was there any change in their attitude?

Mr. BARRY. Where we have presented this to the manufacturers, they have been satisfied that it is protective of their interests, yes.

Mr. PIRNIE. You have been in touch with the principal objectors?

Mr. BARRY. The principal objectors came in by telegraph, by mail, and by representation from their industry.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. BROWN of Ohio. I made the statement on the floor I had been in touch with a great many people who complained about the original bill, and they not only accepted but wrote me letters of appreciation for what the committee put in this bill, the committee amendment, saying it protected fully their rights and their interests.

Mr. PIRNIE. I thank the gentleman for making that point clear.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Here is the old law:

Unless the Secretary—

Of course, that is of Agriculture or Commerce.

determines that the importation of such property would relieve domestic shortages or otherwise be beneficial.

Then notice the change in the bill itself, on page 2. It says,

Unless the Secretary of Agriculture or the Secretary of Commerce determines that the importation of such property would not result in undue loss of production or employment.

There is the language as it is and as it would be if the bill as reported is adopted.

That is all there is to it.

As I understand it from my wires, the same as have been received by the gentleman from Ohio [Mr. BROWN], if we

adopt the Flynn amendment which is on the desk, to be offered later, we go back to the same law we had in the old law, they are satisfied and certain importations. How are you to vote? I do not know. I tried to find the sponsor of this bill and was not able to find him. I inquired first how the gentlemen who are leaders intended to vote, and they said they did not know. That is what troubled me, in a way. It all depends.

Years ago I had a lawsuit before a district judge. It involved just one question, the fair market price of junk. So they subpoenaed an expert witness, and we all, lawyers and the judge, tried to get an answer out of him on the "What is the fair market price of junk?" Do you know what his answer was? He said, "Do you want to buy or do you want to sell?" None of us could get any other than two answers out of him.

How does that apply to this bill? Do you want to purchase some of this surplus or are you making it and selling it to the Government, our own or a government abroad? It is just that simple, do you buy or do you want to make it and sell it. That is the real issue.

Next is the thought, the Government having paid for this property, is it entitled to get something out of it when it turns out to be surplus or should we let some fellow who is shrewd buy it bring it here and sell it at a profit? To my mind, that is the situation. Unless somebody can give me some contrary advice, unless that Flynn amendment is adopted, I am inclined to go along with the manufacturers in my district—and I called their attention to the danger of unemployment. It is just that simple.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield so that I may supply some information, the pending amendment is not the amendment of the gentleman from Wisconsin [Mr. FLYNN], it is the amendment I have offered myself.

Mr. HOFFMAN of Michigan. I know all about that. The gentleman just adds two little words "in industry" in there.

Mr. STRATTON. It had the effect of making it so that no unemployment would be caused by this importation. I think the gentleman feels as I do, he is opposed to unemployment, as I am. I hope he will support this amendment.

Mr. HOFFMAN of Michigan. I am not opposed to that two-word amendment, what I am talking about is that one offered by the gentleman from Wisconsin [Mr. FLYNN] that restores the law to what it is now and retains the word "unlawfully."

A motion to strike the enacting clause would have the same effect, except for that one word.

Mr. FLYNT. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. FLYNT moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his motion.

Mr. FLYNT. Mr. Chairman, since we have now spent some 20 or 25 minutes on a committee amendment to a committee amendment, it indicates to the Committee of the Whole some idea of the confusion which exists in the consideration of this legislation.

First let me say I am in complete accord with the amendment to the committee amendment offered by the gentleman from New York [Mr. STRATTON]. I am in accord with an amendment which is at the Clerk's desk which will be offered by the gentleman from Wisconsin [Mr. FLYNN] at the proper time, in the event my motion does not prevail. But the situation that has developed already in the parliamentary tangle has clearly indicated that we are in for a long session in trying to rewrite on the floor a bill which would more properly be rewritten in the Committee on Governmental Operations. Actually there is no single manufacturer of this type of equipment located in the district which I have the honor to represent. There are very few such industries in the region of the country from which I come. Yet I take the position on the floor of this House on the question of importation of competitive products that I have sworn eternal vigilance against the sacrifice of a single American industry or the loss of a single job of American men and women to a competitive counterpart anywhere else in the world.

Mr. Chairman, I believe in helping other nations, old ones and new ones, developed and underdeveloped nations and new nations which have just come onto the map of the world. But I do not believe in nor support any proposal which I feel will be harmful to American industry and American jobs. I shall never, in this or in any other proposition, take a position which I feel is detrimental to the jobs of the men and women of America, or to any American industry, large or small.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from West Virginia.

Mr. BAILEY. I want to ask the gentleman is this a pro forma amendment for an opportunity to get 5 minutes on this to speak, or are you saying it is time to kill the legislation?

Mr. FLYNT. I thank the gentleman for making that inquiry. The purpose of my motion is to kill the bill.

Mr. BAILEY. Then I will cooperate with you.

Mr. FLYNT. I say that in all sincerity. I feel that the situation which has developed today in the efforts to amend a committee amendment certainly justifies the position which I take. I ask that the preferential motion be adopted.

Mr. FLYNN. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Wisconsin.

Mr. FLYNN. Although I have an amendment at the desk, nevertheless I shall support the gentleman's motion.

Mr. FLYNT. I will ask the gentleman if my motion would not accomplish the same thing that the amendment offered



by the gentleman from New York and the gentleman from Wisconsin would also seek to accomplish.

Mr. FLYNN. Yes, it will.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. FLYNN. I yield.

Mr. STAGGERS. I would just like to ask if the importers are not the ones who benefit?

Mr. FLYNN. They are.

Mr. STAGGERS. They are the ones who make the profit and make the gains.

Mr. FLYNN. That is true. That is the thing we want to correct right now. This bill cannot help American industry nor can it be helpful to men and women employed in industry in the United States. It seems to be helpful only to a small group of importers who buy this surplus property at an average of 5 cents on the dollar and sell it at enormous profits at the expense of the jobs of American labor.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I am indeed touched by the eloquent speech of the gentleman who just left the well of the House. I would like respectfully to remind my colleagues, however, that the policy laid down by Congress under this law has been in effect now for 11 years under several administrations and many Congresses. For all that time this property has been coming in.

So far I have not seen any legislation to repeal the law. I have never even heard any speeches on it before. I am glad, however, to find out today the gentleman's attitude and how he feels.

I would also add that we are talking about Americans, and I love them, too. All of the people who would be involved by this law, pro and con, are Americans. The importers to which reference has been made are also Americans. Our effort is to be fair and equitable to all.

We recognize that there is a problem. There is no confusion as far as the committee is concerned. I am sure the only confusion exists in the mind of my colleague, the gentleman from Georgia, who offered the motion which strikes at the roots of the bill and cuts it down.

If we vote down this motion I am sure we can resolve the differences.

Mr. WOLF. Mr. Chairman, because of my great respect for the gentleman from Illinois [Mr. DAWSON], I regret I cannot support his bill H.R. 9996.

I call my colleagues' attention to the paragraph on page 5 of the committee report which states that under the present regulations of the Department of Commerce—and I quote:

A purchaser who desires to import foreign excess property may first apply to its foreign excess property officer for a determination that the property in question would qualify as relieving a domestic shortage or being otherwise beneficial to the economy of the country. If the determination is favorable, he may apply for an authorization to import the goods. If the authorization is granted, the goods may be entered duty free. In making the determination the Department takes into consideration such facts as are at its disposal on the nature of the goods, the state of the economy, and the effect of the goods

thereon. Importers are permitted to appeal from unfavorable rulings of the foreign excess property officer to the Appeals Board for the Department of Commerce.

If the committee statement is correct, and I am sure it is, the Department of Commerce now takes into consideration the effect of such importation of foreign excess property on the economy at any given time. Later on in the report—paragraph (c), page 7—the committee states that it "sought to somewhat liberalize existing law." Nowhere in the report can I find a justification for the liberalization, except that certain importers are not happy with the present determinations of the Secretary of Commerce. Considering the committee's whole report and its explanation of what is meant by "undue loss of production or employment"—regardless of whether this language is applied to the whole economy or to a particular industry—we still end up with the question of whether the importation of any given quantity of goods will adversely affect the economy of the country. Unless we have a domestic shortage, how can it be argued that any importation would not result in a loss of production and employment? To the extent that any product—not in short supply—is brought back into the United States, it is going to reduce an equivalent number of units that would have been produced had they not been brought back.

To argue that the foreign excess property will be sold to buyers who would not normally purchase new equipment from manufacturers is, in my opinion, fallacious. The market for surplus products, as my colleagues know, is the same market for secondhand or used products that must be disposed of by retailers who take secondhand and used products in trade. If we were to glut the secondhand market, this in turn would affect the market for new products and thereby depress production and employment at the manufacturers' level. The simple economics of the problem lead me to believe that the present law provides the sound criterion for determining whether foreign excess property should be returned to the United States. It is for this reason that I cannot support the bill.

Mr. LEVERING. Mr. Chairman, I rise in support of the preferential motion offered by the distinguished gentleman from Georgia [Mr. FLYNN], primarily for the reason that I deem H.R. 9996 a bad bill, the effect of which will make it easier for a favored few importers to profit at the expense of many fine business concerns in the Nation who are already desperately making a day-to-day struggle to survive against foreign competition.

Mr. Chairman, as a matter of fact I feel this legislation ties in with the whole problem of our current trade policies. I trust the House will vote down H.R. 9996 overwhelmingly and that we will all consider seriously the House concurrent resolutions which I and several other of our colleagues have introduced expressing the sense of Congress that the United States should stop reducing tariffs and protect American industries against unfair competition.

In my congressional district we are now experiencing widespread unemployment and business difficulties as a direct result of what I believe to be unwise trade programs relative to a wide range of imports as well as an unsound application of the Buy-American Act.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to oppose H.R. 9996, relating to the reimportation into the United States of surplus property. My objection is based upon the language in the bill which would extend the importation into the United States of property sold or disposed of abroad as surplus property pursuant to the Surplus Property Act.

This language would, therefore, extend to surplus property acquired abroad by importers, at distress prices, based upon the problems of resale for use abroad. The adoption of this legislation would create an unwarranted windfall for importers who buy surplus abroad for resale in the United States.

This legislation is, therefore, fatally defective and should be defeated.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. FASCELL) there were—ayes 95, noes 49.

So the motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9996) to amend section 402 of the Federal Property and Administrative Services Act of 1949, to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the United States to the injury of the economy of this country, had directed him to report the bill back to the House with the recommendation that the enacting clause be stricken.

The SPEAKER. The question is on the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. FASCELL) there were—ayes 124, noes 61.

So the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken out was agreed to.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the action just taken.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the gentleman from New Mexico [Mr. MORRIS] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MORRIS of New Mexico. Mr. Speaker, the House Committee on Government Operations on May 23, 1960, approved the bill H.R. 9996 which, in my judgment, may well have most unfortunate consequences to the prosperity of a number of American enterprises, already hard pressed by excessive capacity and uncertain demand. H.R. 9996 is proposed as an amendment to section 402 of the Federal Property and Administrative Services Act of 1949, which is concerned with restricting the importation of American surplus property abroad into the United States. As now in effect, such imports are prohibited unless the Secretary of Commerce, or the Secretary of Agriculture for agricultural products, determine that such importations would relieve a domestic shortage or otherwise be beneficial to the economy of the country. H.R. 9996 completely reverses the nature of the determination which the Secretaries are called upon to make in the case of surplus property imports. Under this bill, imports of surplus property are prohibited unless the Secretary of Commerce or the Secretary of Agriculture determine that such imports will not result in undue loss of production or employment. The committee report itself states that "the principal effect of the bill would be to permit the importation of foreign excess property unless it would result in undue loss of production or employment in the United States," and the Administrator of the Business and Defense Services Administration of the Department of Commerce, William A. White, Sr., admitted in testimony before the committee that the new bill "represents to a marked degree a reversal of the point of view reflected in section 402 and appears to be a liberalization of policy in favor of importation of foreign excess property."

I submit that this is no time to take any step, no matter how well intentioned, in the direction of facilitating imports of Government surplus abroad. For certain industries, allowing any additional surplus property to come in from overseas would have serious consequences. We know, for example, that the domestic construction machinery manufacturers could suffer severely, if surplus construction machinery from abroad were dumped upon a market already glutted. The competition that these manufacturers have as a result of domestic surplus property is bad enough. Adding any foreign surplus would be intolerable. The producers of construction equipment have a great deal more assurance that harmful imports were to be excluded if the Secretary of Commerce has to certify that a particular import is necessary to relieve a domestic shortage or otherwise be beneficial to the economy, than if he merely has to certify that such imports will not result in "undue loss of production and employment." This added discretion should not be given the Secretary of Commerce. The protection under the law as it exists is greater and therefore preferable to what is offered by H.R. 9996. I therefore urge the defeat of this bill.

## NATIONAL CAPITAL TRANSPORTATION ACT OF 1960

Mr. McMILLAN. Mr. Speaker, I call up the conference report on the bill (H.R. 11135) to aid in the development of a coordinated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize negotiation to create an interstate agency; and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

### CONFERENCE REPORT (H. REPT. NO. 2061)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11135) to aid in the development of a coordinated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize negotiation to create an interstate agency; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

### "TITLE I—SHORT TITLE, STATEMENT OF FINDINGS AND POLICY, AND DEFINITIONS

#### "Short title

"SEC. 101. This Act may be cited as the 'National Capital Transportation Act of 1960'.

#### "Statement of findings and policy

"SEC. 102. The Congress finds that an improved transportation system for the National Capital region (1) is essential for the continued and effective performance of the functions of the Government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital; (2) requires the planning on a regional basis of a unified system of freeways, parkways, express transit service on exclusive rights-of-way, and other major transportation facilities; (3) requires cooperation among the Federal, State, and local governments of the region and public carriers in the development and administration of major transportation facilities; (4) requires financial participation by the Federal Government in the creation of certain major transportation facilities that are beyond the financial capacity or borrowing power of the public carriers, the District of Columbia, and the local governments of the region; and (5) requires coordination of transportation facilities with other public facilities and with the use of land, public and private. The Congress therefore declares that it is the continuing policy and responsibility of the Federal Government, in cooperation with the State and local governments of the National Capital region, and making full use of private enterprise whenever appropriate, to encourage and aid in the planning and development of a unified and coordinated transportation system for the National Capital region.

### "Definitions

"SEC. 103. When used in this Act—

"(a) 'National Capital region' means the District of Columbia, Montgomery and Prince Georges Counties in the State of Maryland, Arlington, Fairfax, Loudoun, and Prince William Counties and the cities of Alexandria and Falls Church in the Commonwealth of Virginia, and all other cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of said counties and cities.

"(b) 'Government agency' and 'government agencies' mean the Government of the United States, District of Columbia, Commonwealth of Virginia, State of Maryland, or any political subdivision, agency, or instrumentality thereof which is located within, or whose jurisdiction includes all or part of, the National Capital region; the term includes, but is not limited to, public authorities, towns, villages, cities, other municipalities, and counties.

### "TITLE II—CREATION OF A NATIONAL CAPITAL TRANSPORTATION AGENCY

#### "National Capital Transportation Agency

"SEC. 201. (a) There is hereby established the National Capital Transportation Agency (hereinafter referred to as the 'Agency'). The Agency shall be subject to the direction and supervision of the President, or the head of such department or agency as he may designate. The Agency shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at a rate equal to the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended, plus \$500 per annum.

"(b) To assist the Administrator in the execution of the functions vested in the Agency there shall be a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at a rate equal to the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended. The Deputy Administrator shall perform such duties as the Administrator may from time to time designate and shall be Acting Administrator during the absence or disability of the Administrator.

"(c) No Administrator or Deputy Administrator shall, during his continuance in office, be engaged in any other business, but shall devote himself to the work of the Agency. No Administrator or Deputy Administrator or member of the Advisory Board (established in section 202) shall have financial interest in any corporation engaged in the business of providing public transportation nor in any corporation engaged in the manufacture or selling of passenger transportation equipment or facilities.

#### "Advisory board

"SEC. 202. There is established an Advisory Board of the National Capital Transportation Agency. The Advisory Board shall be composed of five members appointed by the President, by and with the advice and consent of the Senate, at least three of whom shall be residents of the National Capital region. The President shall designate one member as chairman. The Advisory Board shall meet at least once every ninety days. The Advisory Board shall advise the Administrator in respect of such matters as the general policies of the Agency; Agency policies in connection with acquisition, design, and construction of facilities; fees for the use of Agency facilities and property; planning and administration generally; and such other matters as may be referred to it by the Administrator or which the Advisory Board, in its discretion, may consider. Each



member of the Advisory Board, when actually engaged in the performance of his duties, shall receive for his services compensation at a rate not in excess of the per diem equivalent of the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended, together with travel expenses as authorized by section 5 of the Act of August 2, 1946, as amended (5 U.S.C. 73b-2), for persons employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis.

*"Advisory and coordinating committees"*

"SEC. 203. (a) The Administrator is authorized to establish such advisory and coordinating committees composed of representatives of State and local governments, Federal agencies, other Government agencies, and such private organizations and persons as may be necessary or helpful to obtain the maximum amount of cooperation and correlation of effort in order that a coordinated system of transportation be developed for the National Capital region. These advisory and coordinating committees shall consider problems referred to them by the Administrator and shall make recommendations to the Administrator concerning the activities of the Agency as they affect transit, traffic, and highway conditions, and other matters of mutual interest to the Agency and to the Government agencies, organizations, and persons represented on the advisory and coordinating committees.

"(b) The advisory and coordinating committees shall serve the Agency solely in an advisory capacity. Members of such committees shall serve thereon without additional compensation. Members who are not representatives of an agency of the United States may receive travel expenses as authorized by section 5 of the Act of August 2, 1946, as amended (5 U.S.C. 73b-2), for persons serving without compensation.

*"Preparation and approval of transit development program"*

*"Sec. 204. The Agency—"*

"(a) Shall prepare, and may from time to time revise, a Transit Development Program. The Transit Development Program shall consist of a plan or plans indicating the general location of facilities in which the Agency will participate for the transportation of persons within the National Capital region, a timetable for the provision of such facilities and comprehensive financial reports including costs, revenues, and benefits. The Transit Development Program may indicate (1) the routes of surface, subsurface, and elevated carriers, including bus and other motor vehicle carriers, rail carriers, waterborne carriers, air carriers, and other carriers, and (2) the location and extent of terminals, stations, platforms, motor vehicle parking facilities for transit users, extra-wide median strips and other rights-of-way, docks, rails or tracks or other similar facilities, bridges, tunnels, buildings or structures, powerplants, repair shops, yards, garages, and other necessary facilities relating to the transportation of persons. The Transit Development Program shall, to the extent practicable, conform to the general plan for the development of the National Capital region and to the comprehensive plan for the National Capital within the meaning of sections 3, 4, and 5 of the National Capital Planning Act of 1952 (66 Stat. 781), except as may be determined by the President.

"(b) Shall, in the preparation of the Transit Development Program, give special consideration to:

"(1) Expanded use of existing facilities and services, including expanded use and development of existing railroad lines into the District of Columbia, and coordinated and efficient transit service across jurisdic-

tional boundaries and between areas served by different companies: *Provided*, That the Public Utilities Commission of the District of Columbia, before granting its approval to any further conversion by the D.C. Transit System, Inc., of street railway operations to bus operations as provided in section 7 of the Act of July 24, 1956 (70 Stat. 598), shall consult with the Agency on the possible use of street railway facilities and equipment in the Transit Development Program. The Commission may withhold its approval of such conversion and require the preservation of equipment and facilities already withdrawn from service if it finds that there is a substantial possibility that the Transit Development Program will provide for the continued use of street railway facilities and equipment.

"(2) Early development of a subway from Union Station capable of rapid dispersal of passengers from the railroad to the principal employment centers in the District of Columbia and its immediate environs, and capable of being extended to serve other parts of the region: *Provided*, That no freeway, or new parkway more than two lanes in width, shall be built within the District of Columbia west of Twelfth Street, Northwest, and north of either the north or the west legs of the proposed Inner Loop Freeway, the proposed Potomac River Expressway, or the proposed Palisades Parkway, before July 1, 1965; and the Agency shall not later than January 10, 1965, submit to the President, for transmittal to Congress, its recommendation as to whether any such freeway or parkway should thereafter be built.

"(3) Acquisition and development of rights-of-way and related facilities for providing express transit lines in conjunction with major highways and bridges.

"(c) Shall prepare proposals for implementing each part of the Transit Development Program, including preliminary engineering plans, descriptions of the character of services to be rendered, estimates of costs and revenues, arrangements for financing and organization, and other information setting forth the manner in which the program is to be carried out: *Provided*, That no part of the Transit Development Program shall be carried out by the Agency until a report containing a full and complete description of that part of the program has been transmitted to the Congress, and the execution of that part of the program has been expressly authorized by legislation thereafter enacted by the Congress.

"(d) In order to facilitate the transition from a Federal agency to an interstate proprietary agency and to further coordination within the National Capital region, shall submit the Transit Development Program and any revision thereof: (1) to the governing bodies of the District of Columbia, Montgomery and Prince Georges Counties in the State of Maryland, and Arlington, Fairfax, Loudoun, and Prince William Counties and the cities of Alexandria and Falls Church in the Commonwealth of Virginia, and the transit regulatory bodies having jurisdiction in the National Capital region for review and comment; (2) to such organizations of government agencies or officials concerned with the solution of the community development problems of the National Capital region on a unified metropolitan basis as are now in existence or as may be created by agreement, law, or compact for review and comment; (3) to the Commission of Fine Arts for review and comment; (4) to private companies transporting persons in the National Capital region and to unions representing the employees of such companies for review and comment; and (5) to the Governors of Maryland and Virginia or such government agencies as they may designate for approval of the location and extent of proposed Agency facilities and the timetable

for the provision of such facilities within Maryland and Virginia, respectively; and except as provided in subsection (e) of this section, the Agency shall not acquire, construct, or operate property, rights-of-way, or facilities indicated in the Transit Development Program or a revision thereof within the State in which such property, rights-of-way, or facilities are located unless prior thereto the Governor of the State involved or such government agency as he may designate shall have approved the Transit Development Program or the pertinent revision thereof.

"(e) Until the Transit Development Program has been approved by the Governor of Maryland or Virginia as provided in subsection (d) of this section, shall, when it proposes to acquire, construct, or operate property, rights-of-way, or facilities located in Virginia or Maryland, first submit plans and other information showing in detail the purposes for which such property, rights-of-way, or facilities are to be used to the Governor of the State in which the property, rights-of-way, or facilities are to be located, or to such government agency as may be designated by the Governor. In implementing programs approved by the Congress in accordance with subsection (c) of this section, the Agency may acquire, construct, or operate such property, rights-of-way, or facilities, as the case may be, in the State upon approval of the Governor thereof, or of the designated government agency.

"(f) Shall conduct research, surveys, experimentation, evaluation, design, and development, in cooperation with other government agencies and private organizations when appropriate, on the needs of the region for transportation; on facilities, equipment, and services to meet those needs; on organization and financial arrangements for regional transportation; and on other matters relating to the movement of persons in the region. The Agency's studies shall include a continuation of the work begun in the mass transportation survey conducted by the National Capital Planning Commission and the National Capital Regional Planning Council, pursuant to the Second Supplemental Appropriations Act of 1955 (69 Stat. 33), and shall include further studies as may be necessitated by changed conditions, the availability of new techniques, and the response of government agencies and the public to the transportation plan adopted by the Commission and Council. The Agency's studies shall also include evaluations of the transportation system recommended in the transportation plan, and of alternative facilities and kinds of services.

"(g) Shall submit to the President for transmittal to Congress, not later than November 1, 1962, recommendations for organization and financial arrangements for transportation in the National Capital region. The Agency shall consider the following organizational alternatives, among others: a Federal corporation, an organization established by interstate compact, and continuation or modification of the organization established by this Act. In preparing its recommendations the Agency shall consult with the governments of the District of Columbia, Maryland, and Virginia, the local governments of the National Capital region, and the Federal agencies having an interest in transportation in the National Capital region: *Provided*, That any recommendations submitted by the Agency shall provide as far as possible for the payment of all costs by persons using or benefiting from regional transportation facilities and services, and shall provide for the equitable sharing of any remaining costs among the Federal, State, and local governments.

*"Functions, duties, and powers"*

"SEC. 205. (a) Subject to the provisions of this title, the Agency—

"(1) in order to implement those parts of the Transit Development Program approved by statute in accordance with section 204(c), and except as provided in the proviso of paragraph (2) of this subsection, may acquire (by purchase, lease, condemnation, or otherwise) or construct transit facilities, property, and rights-of-way for the transportation of persons within the National Capital region. Such facilities, property, and rights-of-way may include those enumerated under section 204(a) or any other necessary transit facilities, property, or rights-of-way relating to transportation of persons. The Agency may contribute funds for the acquisition of rights-of-way for, and the construction of limited amounts of freeway, parkway, and other arterial highway facilities, including construction incidental to the use and protection of such rights-of-way for transit facilities, to the government agencies having jurisdiction thereof if, in the opinion of the Agency, such contributions are necessary to the fulfillment of the objectives of this Act;

"(2) may operate all facilities acquired or constructed by it, or may enter into agreements with government agencies, private transit companies, railroads, or other persons for the operation of its facilities, the use of its operating rights, or the provision of transit services making use of other facilities and operating rights: *Provided*, That the Agency shall not operate any transit facilities, or provide by agreement for the operation of transit facilities, until the Congress shall establish for the Agency a labor relations policy, defining labor's right to organize, to bargain collectively, to arbitrate disputes, and to safeguard job rights: *Provided further*, That the Agency shall not acquire the facilities, property, or rights-of-way of private motorbus companies and persons; or operate buses or similar motor vehicles or make agreements for the provision of motorbus services competitive with private transit companies; but may make agreements for the provision of service which is not competitive with services of private transit companies and persons;

"(3) shall encourage private transit companies to provide needed services in a manner consistent with the Transit Development Program;

"(4) may lease space or property owned or acquired by the Agency, or may contract with persons for the purpose of constructing and operating facilities, which, in the opinion of the Agency, will encourage or facilitate the use of transit facilities of the Agency. Rentals or other fiscal arrangements in connection with such leases or contracts shall be adjusted so that undue competitive advantage is not given over other persons in the National Capital region: *Provided*, That in the operation of such facilities, the lessee or franchise holder shall comply with all applicable Federal, State, and local building and zoning laws, ordinances, and regulations;

"(5) may enter into and perform contracts, leases, and agreements, and other transactions with any government agency, private transit company, railroad, or other persons;

"(6) may sell or lease advertising space or may contract with responsible persons for the sale or lease of such space: *Provided*, That the lessee or contractee shall comply with all applicable Federal, State, and local zoning and advertising laws, ordinances, and regulations;

"(7) shall cooperate with government agencies to facilitate coordination of location, design, and construction of freeways, parkways, and other arterial highway facilities with the Transit Development Program. The purpose of such coordination is to assure the comprehensive development of transportation facilities best suited to meet the objectives of this Act and to achieve maximum benefits from moneys available

for such purposes. The responsibility and authority for location, design, construction, and operation of freeways, parkways, and other arterial highway facilities shall remain with the government agencies having jurisdiction thereof, but all Federal agencies' plans for location and design of highway facilities shall be forwarded to the Agency, and all State and local agencies' plans for location and design of highway facilities may be requested by the Agency for its review and comment. The Agency shall cooperate with all planning agencies of the National Capital region and the appropriate government transportation regulatory agencies including the Washington Metropolitan Area Transit Commission in the development of transportation facilities and, wherever feasible and desirable, develop joint plans with such agencies;

"(8) may initiate proposals for regulating and coordinating the flow of traffic in the National Capital region so as to promote the optimum use of the highway network and other transportation facilities;

"(9) may make or participate in studies of all phases of transportation into, within, and out of the National Capital region, including transit vehicle research and development and fiscal research studies. The Agency may publicize and make available the results of such studies and other information relating to transportation;

"(10) may appoint and fix the compensation of officers, attorneys, agents, and employees; may define their powers and duties; may require bonds for the faithful performance of their duties; may employ experts and consultants or organizations thereof to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed the usual rates for similar services;

"(11) may, subject to the standards and procedures of section 505 of the Classification Act of 1949, as amended, place not to exceed five positions in grades 16, 17, or 18 of the General Schedule established by such Act. Such positions shall be in addition to the number of positions authorized to be placed in such grades by such section 505;

"(12) may make such expenditures at the seat of government and elsewhere as may be necessary for the exercise and performance of the powers and duties vested in the Agency and as from time to time may be appropriated for by the Congress, including expenditures for (1) rent and personal services at the seat of government and elsewhere; (2) travel expenses; (3) office furniture, equipment and supplies, lawbooks, newspapers, periodicals, and books of reference (including the exchange thereof); and (4) printing and binding; and

"(13) may, by agreement with the Board of Commissioners of the District of Columbia, designate such Board as the instrumentality through and by which facilities of the Agency in the District of Columbia are to be designed and constructed.

"(b) The Agency, its property, income, and transactions are expressly exempted from taxation in any manner or form or from the imposition of any licenses or fees of any kind whatsoever by any State or political subdivision thereof and by the District of Columbia but such exemption shall not extend to contractors for, or lessees of, the Agency, or to any person, company or association which engages in any business activity pursuant to any franchise, grant or agreement of the Agency.

"(c) Every agency or instrumentality of the Government of the United States and of the government of the District of Columbia may enter into agreements with the Agency in respect of any matter for which such agreements are authorized pursuant to this Act.

"(d) The provisions of section 355 of the Revised Statutes, as amended (40 U.S.C. 255),

shall be applicable to property acquired by the Agency. Proceedings in behalf of the Agency for the condemnation of property in the District of Columbia shall be instituted and maintained under the Act of March 1, 1929 (45 Stat. 1415), as amended; and of property elsewhere, under the Act of August 1, 1888, as amended (40 U.S.C. 257), the Act of February 26, 1931 (46 Stat. 1421 and the following, 40 U.S.C. 253), or any other applicable Act. This subsection shall apply to both real and personal property: *Provided*, That no action in condemnation of any property shall be commenced in behalf of the Agency until a reasonable effort has been made to negotiate with the owner of the property.

"(e) Subject to the provisions of section 204(c), such sums as shall be required to carry out the purposes of this title are authorized to be appropriated.

#### "TITLE III—AUTHORIZATION FOR NEGOTIATION OF INTERSTATE COMPACT

"Sec. 301. (a) It is the intent of Congress to promote and encourage the solution of problems of a regional character in the National Capital region by means of an interstate compact entered into by the State of Maryland, the Commonwealth of Virginia, and the Board of Commissioners of the District of Columbia, with the consent of Congress. To further this policy, the consent of Congress is hereby given to the State of Maryland and the Commonwealth of Virginia and the Board of Commissioners of the District of Columbia to negotiate a compact for the establishment of an organization to serve as a means of consultation and cooperation among the Federal, State, and local governments in the National Capital region, to formulate plans and policies for the development of the region, and to perform governmental functions of a regional character, including but not limited to the provision of regional transportation facilities. No such compact shall be binding upon the parties thereto unless and until it has been approved by the Congress.

"(b) As promptly as practicable after the State of Maryland and the Commonwealth of Virginia have approved a compact for the establishment of an organization empowered to provide regional transportation facilities, the President shall submit to the Congress such recommendations as may be necessary or desirable to transfer to such organization such real and personal property, personnel, records, other assets, and liabilities as are appropriate in order that such organization may assume the functions and duties of the Agency.

"(c) The President shall appoint a person to participate in the compact negotiations and to represent the United States generally. The Federal representative shall report to the President either directly or through such agency or official of the Government as the President may specify.

"(d) The Federal representative, if not otherwise employed by the United States, shall receive for his services, when actually engaged in the performance of his duties, compensation at a rate not in excess of the per diem equivalent of the maximum rate for grade 18 of the General Schedule of the Classification Act of 1949, as amended, together with travel expenses as authorized by section 5 of the Act of August 2, 1946, as amended (6 U.S.C. 73b-2), for persons employed intermittently as consultants or experts and receiving compensation on a per diem when actually employed basis: *Provided*, That if the Federal representative shall be an employee of the United States he shall serve without additional compensation.

"(e) The Federal representative shall be provided with office space, consulting, engineering, and stenographic service, and other necessary administrative services.



"(f) The compensation of the Federal representative shall be paid from the current appropriation for salaries in the White House Office. Travel and other expenses provided for in subsections (d) and (e) of this section shall be paid from any current appropriation or appropriations selected by the head of such agency or agencies as may be designated by the President to provide for such expenses.

"(g) The State and Federal representatives appointed to participate in the compact negotiations are authorized to request from the Agency any information they deem necessary to carry out their functions under this section; and the Agency is authorized to cooperate with the compact representatives and, to the extent permitted by law, to furnish such information upon request made by the compact representatives.

#### "Separability"

"SEC. 302. If any part of this Act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the applicability of such part to other persons and circumstances and the constitutionality or validity of every other part of the Act shall not be affected thereby."

And the Senate agree to the same.

JOHN L. McMILLAN,

HOWARD W. SMITH,

JOEL T. BROYHILL,

*Managers on the Part of the House.*

ALAN BIBLE,

WAYNE MORSE,

J. GLENN BEALL,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment to the Senate to the bill (H.R. 11135) to aid in the development of a coordinated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize negotiation to create an interstate agency; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

#### EFFECT ON EXEMPTION UNDER 1956 ACT

The House bill (sec. 204(b)(1)) authorized the Public Utilities Commission of the District of Columbia to withhold approval of any further conversion by the D.C. Transit System, Inc., of street railway operations to bus operations if the Commission finds that there is a substantial possibility that the Transit Development Program contemplated under the bill will provide for the continued use of street railway facilities and equipment; and further provided that if such approval is withheld the transit company would not be entitled to the exemption from real estate taxes authorized by section 9(g) of the act of July 24, 1956.

The Senate amendment provided instead that if the Commission withholds its approval of such conversion, the exemption from real estate taxes under such section 9(g) shall immediately become available to the transit company.

The conference substitute eliminates both the language denying the exemption (where approval of further conversion is withheld) as contained in the House bill and the lan-

guage making the exemption immediately available (where approval of further conversion is withheld) as contained in the Senate amendment, thus leaving to the determination of the Public Utilities Commission (as under existing law) the question of whether the conversion from street railway operations to bus operations is so substantially completed that the taking effect of the exemption would be appropriate in the public interest and should therefore be put into effect.

#### CERTAIN FREEWAY AND PARKWAY CONSTRUCTION

The House bill (sec. 204(b)(2)) provided that no freeway or new parkway more than two lanes in width shall be built within the District of Columbia west of 12th Street NW., and north of either the north or west legs of the proposed Inner Loop Freeway, the proposed Potomac River Expressway, or the proposed Palisades Parkway, until after the National Capital Transportation Agency has reported to the President that the use of rail transportation to carry passenger traffic to points northwest of downtown Washington has had a fair trial.

The Senate amendment provided instead that no such freeway or parkway shall be constructed before July 1, 1962, and further provided that the Agency shall submit to the President for transmittal to Congress, not later than January 10, 1962, its recommendation as to whether any such freeway or parkway should thereafter be built.

The conference substitute adopts the approach of the Senate amendment (limiting the period of the ban on freeway or parkway construction to a specific date rather than providing a period of indefinite length as in the House bill), except that it extends until 1965 the ban on such construction and the time within which the Agency must submit such recommendations.

#### APPROVAL OF TRANSIT DEVELOPMENT PROGRAM

The House bill (sec. 204(c)), after directing the National Capital Transportation Agency to prepare proposals for implementing each part of the Transit Development Program contemplated by the bill, provided that no part of such program shall be carried out until the Congress has received a full report on that part of the program and has expressly authorized the execution thereof by legislation subsequently enacted.

The Senate amendment permitted any part of the Transit Development Program to be carried out (after the report thereon has been received by the Congress) upon the approval thereof in an appropriation act subsequently enacted.

The conference substitute adopts the language of the House bill, so that specific legislative authorization of (as well as appropriations for) each part of the program would be required before that part of the program can be undertaken.

#### LABOR RELATIONS

The Senate amendment added to the House bill a requirement (sec. 204(d)) that unions representing the employees of private transportation companies be advised of the Transit Development Program and any revision thereof, and a provision (sec. 205(a)(2)) prohibiting the new National Capital Transportation Agency from operating transit facilities until the Congress has established for the Agency a labor relations policy.

The conference substitute contains the language of the Senate amendment.

JOHN L. McMILLAN,

HOWARD W. SMITH,

JOEL T. BROYHILL,

*Managers on the Part of the House.*

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Iowa.

Mr. GROSS. May I ask the chairman of the committee or some member of it for a brief explanation.

Mr. BROYHILL. Mr. Speaker, if the gentleman will yield, in conference the Senate receded from practically all of its amendments and accepted the House version almost in toto. The main amendment that was adopted by the Senate was to eliminate the feature of the House bill that required further authorization on the part of Congress for any construction that took place; merely requiring an appropriation. They receded from that amendment and agreed to the original House version. That was the main difference between the two bodies. Another difference was, in the House version we restricted the construction of freeways and expressways in Northwest Washington until the subway system had received a fair trial. The Senate required a 2-year waiting period, and we compromised and made it a 5-year waiting period. The rest of the changes are minor.

Mr. GROSS. How about the appropriation in this bill? Did it remain the same for the commission or whatever it was, the advisory board, which was created under the House bill?

Mr. BROYHILL. There was no difference between the versions of the two bodies in that regard.

Mr. GROSS. So far as expenditures are concerned?

Mr. BROYHILL. Well, the main difference, as I tried to explain was that we required further authorization before any land acquisition or construction could be commenced. The Senate just struck that portion and just required an appropriation. The Senate receded from that and adopted the House version, which was far more restrictive.

Mr. GROSS. I thank the gentleman.

Mr. McMILLAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

#### REA COOPERATIVES

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, on April 4, 1960, I introduced H.R. 11529 to prohibit REA Cooperatives from investing their reserves in Government securities bearing an interest rate in excess of the 2 percent, the rate at which the Cooperatives get their loans from the Government in the first place. I am happy to note that a few moments ago the following story came over the wire as follows:

WASHINGTON.—The Government today offered rural power and telephone cooperative borrowers a way to meet congressional and other criticism that some of them are making profits on reserve funds at Government expense.

The Rural Electrification Administration, which makes such loans, announced the

Federal treasury has offered to become a depository for such excess funds and pay interest at 2 percent a year.

This rate is the same as that charged by the Government on loans to the cooperatives for building and expanding their systems.

Some congressmen have complained that some REA co-ops, upon accumulating reserves in excess of operating expenses and periodic payments on their Government loans, invest the money at much higher rates of interest than they pay the Government.

The Government's 2 percent interest rate is fixed by law. The Eisenhower administration has asked without success that Congress raise this rate to permit charges at commercial levels. The administration says the Government has had to pay more than 2 percent for much of the money it borrows to lend, in turn, to the local cooperatives.

#### THEODORE ROOSEVELT MEMORIAL

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 574 and ask for its immediate consideration.

The clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8665) to amend the Act entitled "An Act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, and be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may consume, after which I yield 30 minutes to the gentleman from Tennessee [Mr. REECE].

Mr. Speaker, House Resolution 574 provides for the consideration of H.R. 8665, a bill to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior. The resolution provides for an open rule with 1 hour of general debate.

The purpose of H.R. 8665 is the erection of a memorial on Theodore Roosevelt Island in accordance with plans approved by the Theodore Roosevelt Memorial Association. Estimated cost of the memorial is \$886,000.

The Theodore Roosevelt Memorial Association purchased the 88-acre island, which now has an estimated value of \$3 million, and presented it to the Federal Government as a memorial to Theodore Roosevelt, and has further expended large sums of money in planning both the general development of the area and the memorial feature itself. It is equi-

table that the Federal Government pay the cost of the construction of the proposed memorial which has been approved by the Memorial Association, the Commission of Fine Arts, the National Capital Planning Commission, the Theodore Roosevelt Centennial Commission, and the National Park Service. The feature will be so located that it may be viewed in proper perspective by the millions of motorists using the low-level bridge presently under construction which will intersect the southern end of the island.

The estimated cost of the memorial includes the cost of accommodations for limited parking, utilities, landscaping, and a public comfort station.

Mr. Speaker, I urge the adoption of House Resolution 574.

#### CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 174]

|                |            |               |
|----------------|------------|---------------|
| Alexander      | Edmondson  | Mason         |
| Alford         | Evins      | Minshall      |
| Anfuso         | Farbstein  | Mitchell      |
| Baker          | Fogarty    | Morris, Okla. |
| Barden         | Glenn      | Murphy        |
| Barry          | Gray       | Pfost         |
| Baumhart       | Harris     | Pilcher       |
| Bennett, Mich. | Hobert     | Powell        |
| Bentley        | Hollifield | Preston       |
| Blitch         | Irwin      | Sheppard      |
| Bowles         | Jackson    | Smith, Iowa   |
| Brown, Mo.     | Kearns     | Spence        |
| Buckley        | Keogh      | Taylor        |
| Burdick        | Kilburn    | Thompson, La. |
| Celler         | Kluczynski | Vinson        |
| Daddario       | Lafore     | Wainwright    |
| Dawson         | McSweeney  | Withrow       |
| Diggs          | Macdonald  | Younger       |
| Dorn, S.C.     | Mack       | Zelenko       |
| Durham         | Madden     |               |

The SPEAKER. On this rollcall 372 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### TEMPORARILY AUTHORIZING CERTAIN SUPPLEMENTAL AIR TRANSPORTATION

Mr. WILLIAMS of Mississippi submitted a conference report and statement on the bill (H.R. 7593) to provide that the Civil Aeronautics Board may temporarily authorize certain air carriers to engage in supplemental air transportation, and for other purposes.

#### COMMITTEE ON PUBLIC WORKS

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a conference report on the bill H.R. 10495.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

#### EXEMPTION FROM INCOME TAX FOR SUPPLEMENTAL UNEMPLOYMENT BENEFIT TRUSTS

Mr. MILLS submitted a conference report and statement on the bill (H.R. 8229) to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts.

#### SUSPENSION OF DUTIES ON METAL SCRAP

Mr. MILLS submitted a conference report and statement on the bill (H.R. 11748) to continue until the close of June 30, 1961, the suspension of duties on metal scrap, and for other purposes.

#### THEODORE ROOSEVELT MEMORIAL

Mr. REES of Tennessee. Mr. Speaker, I have no further requests for time.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Speaker, I take this time now instead of on the bill because I have a conference engagement on another bill. I do this because I have a long tradition in my family of friendship, admiration, and great affection for Teddy Roosevelt.

As a child he, a great friend of my grandfather whose name I proudly bear, came to visit my home city of Hazleton, Pa., and later our home in Wilkes-Barre, Pa.

That was because of the great Teddy Roosevelt's part in the settlement of the famous 1903 anthracite coal strike, one of the most frightful, one of the longest, one of the most disastrous contests between management and labor in American history. My grandfather, Daniel J. McCarthy, was the attorney for the Miners Union.

Thank God, it was a part of the great heart of this great American that the first agreement between the workers of the coal mines and the management of the anthracite industry came about.

One of the proudest possessions in my home is a large silver goblet presented to my grandfather by the great Teddy. I think in these times today, Mr. Speaker, when lack of leadership against the enemies of my country goes on day and night, I can think of what Teddy Roosevelt would do, he who sent the great white fleet to show the flag of America around the world, and defying the world, establishing our position as the leading nation in the world, done by this great leader with a great heart and courage who said, "Speak softly, but carry a big stick."

Can you imagine this bewildered and bewildered "Infidel" Castro, with the black mattress around his chin, thumbing his nose at my country if Teddy Roosevelt was President? He must turn over in his grave to see things as they are today.

So, Mr. Speaker, from my heart, with great affection through the years for the first great man that I became acquainted with in person, I come today, and I glory in the opportunity that I



come to this great forum so many years later, and on the altar of his homeland place this oral wreath to one of the greatest human beings, certainly one of the greatest Americans, that ever lived, who was a young man and a young President and proved that youth and vigor and patriotism today, as always, is pure gold in the leadership of the world.

Mr. THORNBERRY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, earlier this afternoon I made some remarks and some questions were asked of me about how long Congress might run after our return. And, reference was made to the newspaper statement by the distinguished majority leader of the other body, figuring about 3 weeks, at which time I said any views expressed by him were worthy of profound consideration. But, in connection with the situation, a disturbing piece of information has come to me which, if it is correct, in my opinion, will prolong the session considerably after we come back in August, and that is, in the other body they are trying to change this sugar bill we passed yesterday unanimously by providing for a resolution extending the powers delegated to the President only to the first of the year. And, of course, the present Sugar Act expires December 31 of this year, and that means that a new sugar bill will have to be enacted into law after we come back. Anyone who has had experience with the consideration and passage of a sugar bill knows that this is going to take an awfully long while. I think that the Senate ought to accept the bill that passed the House. It extends the present law for 1 year, and I think it would be most unfortunate, expressing myself mildly, if the Senate were to pass such a resolution. They have the power to do so, but if the House was to concur in the same, I think that that would be most unfortunate, because I would then say that starting August 15, I would not undertake to express an opinion as to when Congress might adjourn with legislation having to be considered with reference to a new sugar act.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. First of all, I was not on the floor when the gentleman spoke earlier, but as I understand, he indicated that he was in agreement that whatever work was needed to be done when we came back could be accomplished before Labor Day.

Mr. McCORMACK. I said I hoped so. Mr. HALLECK. Well, I would certainly like to express the hope, Mr. Speaker, that if we do have to come back—and it looks like that we must—I cannot see any reason in the world why we could not among ourselves reach some informal agreement that the work of the Congress be completed by September 3, which is the Saturday before Labor Day.

I do not know what the practice as between the other body and this body might indicate as proper, but in view of the fact that the sugar bill, which is of

vital importance, came out of the Committee on Agriculture unanimously and was passed by the House of Representatives unanimously, I would join with the majority leader in what he has said, without undertaking to dictate to the other body what they ought to do. Certainly that is within their province. But in view of the circumstances existing not only with respect to our congressional situation, but the situation in the world, I should like to express the hope that they may find their way clear to take the bill as it came from the House, and deal with the matter later on, perhaps, at such time as conditions would indicate was necessary.

Mr. McCORMACK. Mr. Speaker, based upon the gentleman's experience, does he agree with me that if this resolution to which we have referred were enacted, it would mean that new legislation would have to be drafted and enacted in August; and from our experience with sugar legislation, that would take a long period of time?

Mr. HALLECK. It certainly should. All the information I have is that the action contemplated is temporary; I am not too certain just what they had in mind, but from what I can understand, I should say the gentleman's conclusion is correct.

Mr. THORNBERRY. Mr. Speaker, I move the previous question on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### LEGISLATIVE BRANCH APPROPRIATION BILL, 1961

Mr. NORRELL submitted the following conference report and statement on the bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes:

##### CONFERENCE REPORT (H. REPT. NO. 2075)

The committee of conference on the disagreeing votes of the two Houses on amendment numbered 44 of the Senate to the bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 44.

W. F. NORRELL,  
MICHAEL J. KIRWAN,  
CLARENCE CANNON,  
WALT HORAN,  
JOHN TABER,

*Managers on the Part of the House.*

JOHN C. STENNIS,  
DENNIS CHAVEZ,  
CARL HAYDEN,  
LYNDON B. JOHNSON,  
STYLES BRIDGES,  
LEVERETT SALTONSTALL,  
GORDON ALLOTT,

*Managers on the Part of the Senate.*

##### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 44 to the bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30,

1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

##### RESTORATION OF OLD SENATE CHAMBER AND OLD SUPREME COURT CHAMBER IN THE CAPITOL

Strikes out the item of \$400,000 inserted by the Senate.

W. F. NORRELL,  
MICHAEL J. KIRWAN,  
CLARENCE CANNON,  
WALT HORAN,  
JOHN TABER,

*Managers on the Part of the House.*

Mr. NORRELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. NORRELL. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

Mr. NORRELL. Mr. Speaker, the report resolves the one amendment not previously settled. The Senate has receded on the amendment and thereby we have dropped from the bill the \$400,000 inserted by the Senate to restore the Old Senate Chamber and the Old Supreme Court Chamber here in the Capitol Building.

Mr. Speaker, with this action, the legislative bill is disposed of.

The pertinent totals are as follows:

Conference total, \$129,470,410.

Below budget, \$3,943,075.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

#### THEODORE ROOSEVELT MEMORIAL

Mr. BURLISON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8665) to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital," to provide for the construction of such memorial by the Secretary of the Interior.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8665, with Mr. ABERNETHY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BURLISON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the Theodore Roosevelt Memorial Association was created by law in 1920. In 1931 it acquired what is

known as Theodore Roosevelt Island, lying in the Potomac River between Memorial Bridge and Key Bridge, a plot of ground consisting of 88 acres. In 1932 the United States accepted as a gift the island memorial to Theodore Roosevelt. The plan of the memorial, presented in 1937, created a forest which, by controlled growth, would eventually be restored to the natural primeval forest which once covered the island.

In 1955 the construction of a low-level bridge to connect the island with the mainland was authorized. As this would interfere with the forest primeval concept, a revised plan developed to build a structural memorial. At that time the Speaker of the House of Representatives appointed the gentleman from New York [Mr. DEROUNIAN] and the gentleman from New York [Mr. O'BRIEN] as representatives of this Chamber to the Theodore Roosevelt Centennial Commission. A number of other able and respected individuals served on the Commission. According to present-day values the estimated worth of this ground is \$3 million-plus.

As the Members know, there is now under construction a low-level bridge extending Constitution Avenue. The footing on the opposite side will be on the southern end of Theodore Roosevelt Island. If this association back in 1931 had not been rather farsighted and acquired this piece of property, I think if it were in the hands of private individuals the Federal Government would have been out a considerable sum of money to place this footing for the bridge on the end of this island, and the bridge would have cost considerably more. Property in that area is most valuable. It is a very conservative estimate to say that it is worth \$3 million. It was given to the United States by the association.

This bill, introduced by the gentleman from New York [Mr. DEROUNIAN], is for the purpose of constructing a structural memorial which is somewhat different in its aspect than the original primeval forest concept which was intended before it was decided that this bridge would be built. I will show you a sketch of the proposed memorial which is called an armillary. I know that the gentleman from New York [Mr. DEROUNIAN] has devoted great effort to the Theodore Roosevelt Centennial Commission. The report of this Commission contains full detail of the memorial and he will be able to explain fully the aesthetics of this memorial to those of you who are interested.

Mr. Chairman, I think the fact that a very unsightly piece of property will be cleaned up is a good reason for this. At first it was intended that the island be landscaped in such a way as to restore its originality. That still is a part of this development. You will have a very beautiful spot that is now rather unattractive.

I will reserve the remainder of my time, Mr. Chairman, and the gentlemen who are well informed and interested will have a great deal more to say about this memorial.

Mr. SCHENCK. Mr. Chairman, I yield 5 minutes to the gentleman from New

York [Mr. DEROUNIAN], the author of this bill and member of the Theodore Roosevelt Foundation.

Mr. DEROUNIAN. Mr. Chairman, my particular interest in this bill is obvious. President Theodore Roosevelt had his home in Oyster Bay, Long Island, which is in my congressional district.

The facts here are simple. The bill provides that the Department of the Interior will construct a monument on the island, which, as the gentleman from Texas has pointed out, was donated to the Federal Government by the Theodore Roosevelt Association. This land has been conservatively estimated to be worth between \$3 and \$5 million. The monument will cost approximately \$886,000. It was designed by Architect Eric Gugler with the world renowned Paul Manship as sculptor, and the Landscape Architect Frederick Law Olmstead, now deceased.

The cost of the services of the above-named gentlemen were paid by the Theodore Roosevelt Association. As you know, the bridge that has been authorized by the Congress will cross the tip of Theodore Roosevelt Island in Washington. Permission was given by the association for one of the anchors of that bridge to be placed on the island.

I have just talked to Mr. Horn, of the National Park Service, and he advises me that under that authorization there will be a direct sidewalk approach from the bridge to the island. When the design has been approved, under the terms of previous legislation, there will be a passageway for vehicles from the Virginia side to the island. I urge the erection of this memorial to a great American and to a great President.

I am willing to answer any questions that Mr. Gross may ask.

Mr. GROSS. I thank the gentleman.

Mr. DEROUNIAN. I yield to the gentleman.

Mr. GROSS. Let me ask this question: Is the present bridge being built across the Potomac going to serve this island?

Mr. DEROUNIAN. It will be presently served by a direct foot pathway from the island to the bridge. However, for vehicular traffic there will be a separate entryway from the Virginia side. This was considered when the 83d Congress authorized the bridge construction.

Mr. GROSS. Then you say there will be another bridge from the Virginia side to the island?

Mr. DEROUNIAN. It will not be a major bridge. It will be a small bridge for vehicles. This was considered at the time we passed the authorization.

Mr. GROSS. There is a causeway now connecting the island with the Virginia side, is there not?

Mr. DEROUNIAN. It is not appropriate for heavy general vehicular traffic.

Mr. GROSS. No; it is a walk, as I understand. Who is going to build the bridge to be constructed?

Mr. DEROUNIAN. The National Park Service under a resolution of the 83d Congress.

Mr. GROSS. We have not appropriated any money for it, have we?

Mr. DEROUNIAN. That will come from the Appropriations Committee, pur-

suant to Public Law 704 of the 83d Congress. That contains the authority necessary for the bridge.

Mr. GROSS. That may be true, but there would be no reason for constructing the bridge, or no substantial reason for constructing the bridge if there were no monument. Is that correct?

Mr. DEROUNIAN. The bridge is going to be constructed anyway.

Mr. GROSS. What bridge is going to be constructed?

Mr. DEROUNIAN. The bridge for vehicular traffic from the Virginia side. The design for it must be approved by the Theodore Roosevelt Memorial Association according to legislation passed in the 83d Congress.

Mr. GROSS. The bridge has been authorized after the monument is constructed. Is not the gentleman putting the cart before the horse?

Mr. DEROUNIAN. The gentleman was here in the 83d Congress. It was a law passed in that Congress.

Mr. GROSS. I would not be surprised if I voted against it, too. Tell me this, if the gentleman will yield further.

Mr. DEROUNIAN. I yield.

Mr. GROSS. How is this memorial association supported?

Mr. DEROUNIAN. By private contributions.

Mr. GROSS. They get no funds from the Federal Government?

Mr. DEROUNIAN. No. The others do, however; the Commission of Fine Arts, and the National Capital Park and Planning Commission.

Mr. GROSS. They get money from the Federal Government.

Mr. DEROUNIAN. That is right, the National Capital Park and Planning Commission, the Commission of Fine Arts, the National Capital Planning Commission, the Theodore Roosevelt Centennial Commission, and the National Park Service have approved the designs for this memorial.

Mr. GROSS. What is it going to cost?

Mr. DEROUNIAN. \$886,000.

Mr. GROSS. Without the bridge?

Mr. DEROUNIAN. The bridge is already being provided for by other funds and other authorizations, as I have pointed out.

Mr. GROSS. Are you not talking about this bridge that is presently being constructed across the Potomac?

Mr. DEROUNIAN. No; that is already authorized.

Mr. GROSS. But is there another bridge besides the one that is presently under construction across the Potomac?

Mr. DEROUNIAN. There will be a vehicular bridge from the Virginia side. On the site there will be parking space for vehicles of visitors.

Mr. GROSS. On the island or on the Virginia side?

Mr. DEROUNIAN. On the island.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mrs. CHURCH. Mr. Chairman, I ask that the gentleman's time be extended.

The CHAIRMAN. The time is under the control of the gentleman from Texas and the gentleman from Ohio.



Mr. BURLESON. If the gentleman's time has expired, I will yield him 2 minutes.

The CHAIRMAN. The gentleman from New York is recognized for 2 additional minutes.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield.

Mrs. CHURCH. I assure the gentleman that as one who also knew the late Theodore Roosevelt and walks humbly in his path, I would certainly like to see a fitting memorial to an American without peer. Knowing his virility, his love of life and people, I have been inclined to think that he would prefer a living memorial by which people could be served.

I wonder if the gentleman could tell us something of the symbolism of this memorial. Before we are asked to accept an abstract figure in memory of a very great man, we should know exactly what the symbolism is.

Mr. DEROUNIAN. I can only say to the gentlewoman that this has been approved by the Theodore Roosevelt Association and the Theodore Roosevelt Centennial Commission. Herman Hagedorn, an intimate friend of Theodore Roosevelt, and also his famous biographer, has given us his approval of this memorial:

In the center of this court, facing a wide reflecting pool, the dominating motive is to be what is known in astronomy as an armillary or celestial sphere, some 40 or 50 feet in diameter. This skeletal globe, consisting of three circular bronze bands, having neither beginning nor end, will symbolize infinity both in space and time. On the broadest of these are to be indicated the signs of the zodiac, the ancient symbols of the constellations, leading the mind to the immutable laws governing alike the celestial bodies and the soul of man. The sphere as a whole—open to the sun and moon, the stars, and all the winds of heaven, with bounds suggested but not defined—betokens the free spirit, universal in its nature, timeless in its being, and abiding within the orbit of eternal law.

From the granite base of the sphere, the Commission explained, would rise, some 10 or 12 feet, "a flame of burnished bronze, representing Theodore Roosevelt's impassioned ardor in behalf of those essentials of popular self-government," of which he was declared to have been the supreme teacher. On the base itself a bas-relief of Theodore Roosevelt will speak to an assemblage stretching beyond any horizon, as he spoke to his countrymen in his own time, and will, we must believe, speak from that place today and in the centuries to come. And not to his own countrymen only—to free men everywhere.

I may say to the gentlewoman that this memorial has been approved by those who are supposed to be experts on fine art. I am not.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from New York.

Mr. LINDSAY. Mr. Chairman, I should like to compliment our distinguished colleague from New York on the fine contribution he has made and for his authorship and sponsoring of this legislation on the floor of the House today. It is something which is long overdue. I am familiar with the gentle-

man's district, I have visited Theodore Roosevelt's home many times which is located in his district. In my own district was the home of the Theodore Roosevelt family. Young Teddy was brought up as a boy in New York City.

Mr. Chairman, it is high time that we establish in the National Capital a lasting monument to this, one of the greatest Presidents the United States ever had; one who is a continuing inspiration to every man in public life, regardless of party.

Mr. Chairman, I should also like to pay a tribute to the Theodore Roosevelt Association, of which I am honored to be a member. This is a fine organization and it has done a magnificent job over the years in keeping alive the spirit of Theodore Roosevelt.

Mr. DEROUNIAN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SCHENCK. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. DEROUNIAN. Mr. Chairman, may I point out that 21 Members of the House and 5 Senators of both parties have introduced resolutions like mine. The gentleman from Pennsylvania, Mr. FULTON, had to go to another engagement and asked me to announce that as a member of the Theodore Roosevelt Association, he is wholeheartedly in favor of this bill.

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. Mr. Chairman, I should like to compliment the work the gentleman has done on this memorial and to say there is no more fitting memorial that could be erected to a greater American. It was Teddy Roosevelt who sent the great white fleet on a peaceful mission around the world. It was Teddy Roosevelt who marched up San Juan Hill.

If we had a Teddy Roosevelt today, he would lead us out of this chaos of communistic encirclement, indecision, and inaction. If Teddy Roosevelt were alive you would see the Marines landing in Cuba, in Panama, and the situation would be well in hand. God knows, we need another one. This monument will be in honor of a great American, and I congratulate the gentleman.

Mr. DEROUNIAN. I thank the gentleman.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Florida.

Mr. HALEY. I concur in the statement made by the gentleman from South Carolina as to the greatness of this fine man, and I think an appropriate monument should be erected in his memory.

The gentleman from New York mentioned a little while ago that one of the boards that passed on this was the National Parks Board. May I ask the gentleman if this is the same board that a few months ago, on a bill that we had before a committee of the Congress where we were trying to establish a national memorial at the place where two

of the signers of the Declaration of Independence were buried, rendered a report to the committee that the burial place of two signers of the Declaration of Independence was not of sufficient historical significance to establish a memorial?

Mr. DEROUNIAN. I do not know anything about that subject matter.

Mr. HALEY. If it is the same board, I want to say to the gentleman I would have very little confidence in any recommendation that it might make on anything now or in the future.

Mr. BURLESON. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. O'BRIEN], a member of the Theodore Roosevelt Association.

Mr. O'BRIEN of New York. Mr. Chairman, the gentleman from New York has adequately explained the background of this memorial. My presence in the well at this moment is designed more to underscore the fact that this is a bipartisan endeavor. I have always felt that Teddy Roosevelt was too big a man to be encompassed by a single party. I think we all learned to honor this man as one of America's greatest individuals.

I might say in connection with the association which has dedicated itself to honoring Teddy Roosevelt that they have gone as far as they can with their own means.

Now, when we were observing the centennial of Teddy Roosevelt's birth a year or so ago, there was a bill before the Congress to appropriate a rather substantial sum of money to help celebrate, and that association asked us to stop pressing for that legislation; that they would handle this celebration with their own funds. I think that is a very refreshing change from the attitude of some groups.

Now, as to the design of the memorial, like the gentleman from New York [Mr. DEROUNIAN], I am not an expert in that field, but I have lived long enough to know that architecture and art forms that were one generation's meat are another generation's poison, and some of the things that were thought so wonderful a generation ago, some of our mid-Victorian structures, are now considered monstrosities. I think this is a matter that we have to leave to a great extent to the judgment of people who are experts in this field. I think it is a beautiful design. I think it will attract a great deal of attention. Above all, this is a program for all of us, regardless of party, to honor one of our greatest Presidents.

Mr. SCHENCK. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Chairman, Mark Twain once wrote a story in which he described the activities of a bluejay and the subsequent activities of birds which flew from miles around to see the results of the bluejay's efforts. And, I think that I could qualify as the bird in the last sentence of the short story, which was the owl, who did not particularly appreciate what he had finally found, but then he had not particularly admired Yosemite, either, according to Mark Twain. I think if this monument is built, the birds

will fly for miles, as the previous speaker has said, to see and ask "What is it?"

But, I do recommend a reading of the report that accompanies this bill, because it is the most beautifully written report we have had this session. I would also recommend a reading of the entire booklet that comes from the association. And, I would add at this point that the people involved in this matter have been diligent; they have been dedicated to a noble cause, and we should do nothing to detract from their efforts.

I had planned to describe the bridge to be built across the river at this point in language similar to that which is used to describe this memorial as planned, but I thought some would interpret that as levity, and my heart was not in it for that reason, because levity would not be in keeping with the tremendous admiration and respect we all feel for Theodore Roosevelt.

I simply want to make this observation, that if this great man we are seeking to memorialize were here today, if Theodore Roosevelt were here to see the debt which hangs over future generations of American citizens, if he were to see the cost of Government, the problems of the United States and the problems of the world, would Theodore Roosevelt today say "The time is not now"?

Mr. BURLESON. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, first of all I want to thank the gentleman from Iowa for saying some of the things that I probably would have said. I am not here, of course, objecting to a memorial to Theodore Roosevelt whom I, of course, recognize as one of our great Presidents. And, I would do nothing to detract from and I do not want to show any disregard for his memory.

I was impressed, as I am sure all of you were, with the fine oration delivered by the gentleman from Pennsylvania, Mr. Flood, and I am sure that he is not alone in his admiration, respect, and reverence for that great American, Theodore Roosevelt. As I contended in committee, I feel that there are a sufficient number of admirers of this great President who would welcome the opportunity to contribute to a memorial to Theodore Roosevelt, so that I doubt if many of his friends would want to be associated with the monstrosity that has been projected here. I am opposed to the appropriating of any funds for any more monuments or memorials to anyone and expect to continue to vote that way. On the other hand, as I stated previously, I would be glad to contribute as a private citizen to this memorial or one to Franklin Delano Roosevelt, to Woodrow Wilson, or any other great American for whom such memorials are planned. While I doubt very much that we will be successful, I intend to offer an amendment to this bill providing that there be no Federal contributions or appropriations for it. They speak in terms of some \$880,000 odd, but that is only for

the memorial itself and does not provide for the bridge we have spoken of.

Next, I would like to say that we have not forgotten Theodore Roosevelt. We have Theodore Roosevelt Island, as has been pointed out, and we are now in the process of building a bridge which will cost I do not know how many million dollars. It is a necessary bridge. It is a utilitarian structure, and it will be called the Theodore Roosevelt Memorial.

I would also like to associate myself with the views of the gentleman from Illinois who has suggested that possibly a living memorial would be more appropriate than this monstrosity, which does not represent anything, in my opinion.

I think the money could be utilized in that way.

When the Commission was first created the act stated that there were three fields to which the Commission should give chief consideration. One was to prepare a program for signalizing the 100th anniversary of the birth of Theodore Roosevelt, and so forth. That celebration was held here, I believe, in 1958.

The next was to provide for the completion of the development of Theodore Roosevelt Island in the Potomac River. At that time it was understood, I think by most persons, that Theodore Roosevelt Island would be maintained as a sanctuary. At that time they had the cooperation of the National Wildlife Association and other organizations dedicated to preserving this island in its natural state, to preserve the birds and wildlife, and so forth. I think that would be fine, and in accepting this island that had been purchased by the Commission, while it did cost in the neighborhood of \$450,000 and is now estimated to be worth some \$3 million, the Federal Government assumed the obligation of maintaining that island. I think that it should be maintained in its natural state.

The third field to which the Commission was to give consideration was to provide for completion of the development of Theodore Roosevelt Memorial National Park in North Dakota. We have that memorial park as well as many other memorials, as you will find by reading this report. These memorials were constructed to the memory of a great President.

Mr. Chairman, in closing, may I say that I am not opposed to a memorial to Theodore Roosevelt. I am opposed to the appropriation of any funds for the construction of such a memorial. Particularly I would be opposed to making a contribution to the construction of such a monstrosity as we have had illustrated here.

I hope the bill will be recommitted, but first I hope the amendment will be adopted providing there be no money appropriated.

Mr. SCHENCK. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I appreciate this opportunity to say a few words about an individual whom I consider one of the greatest of Americans. I happen to have lived all my life about 5 miles

from where Teddy Roosevelt ranched when he spent several years in the early eighties out in the Badlands of western North Dakota.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. (After counting), 114 Members are present, a quorum. The gentleman from North Dakota [Mr. SHORT] has the floor.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the distinguished minority leader.

Mr. HALLECK. Mr. Chairman, Teddy Roosevelt has always been one of my great heroes. I think he is one of the great Americans of all time.

To my mind, the erection of this memorial to his memory is something we should do. Like others who have spoken, I am not an expert on the sort of structure that should be designed and erected. But certainly if those people who are experts in that field have reached the conclusion that this design is proper, as far as I am concerned, it will suit me.

I sincerely hope this legislation is passed.

Mr. SHORT. Mr. Chairman, the Teddy Roosevelt Elkhorn Ranch is now a part of the Theodore Roosevelt National Memorial Park at Medora, N. Dak., comprising some 50,000 acres, which has been open to tourists for several years. Tourists by the tens of thousands stop there all the time.

Mr. Chairman, I would like to point out the type of individual Teddy Roosevelt was. He came to this western country as a dude, as an easterner, and was looked upon with some degree of suspicion, perhaps, by the natives of the country.

Only a very short time elapsed until he was accepted by them, recognized as being able to outride, outshoot, and outwork almost any of the native people. Certainly his activity in the West and with the famous Rough Riders Cavalry Troop during the Spanish American War indicated the rugged type of individual he was.

In regard to this memorial, Mr. Chairman, I certainly do not profess to be an authority or even a competent critic of the proper kind of memorial that should be erected to any individual, but I just want to read some of the language that is in the committee report in referring to this memorial and have somebody explain to me how I should interpret that language to the people back in North Dakota who have a high regard for Teddy Roosevelt and would like to understand what this memorial depicts. It states:

In the center of this court, facing a wide reflecting pool, the dominating motive is to be what is known in astronomy as an armillary or celestial sphere, some 40 or 50 feet in diameter. This skeletal globe, consisting of three circular bronze bands, having neither beginning nor end, will symbolize infinity both in space and time. On the broadest of these are to be indicated the signs of the zodiac, the ancient symbols of the constellations, leading the mind to the



immutable laws governing alike the celestial bodies and the soul of man. The sphere, as a whole—open to the sun and moon, the stars, and all the winds of heaven, with bounds suggested but not defined—betokens the free spirit, universal in its nature, timeless in its being, and abiding within the orbit of eternal law.

Mr. Chairman, I do not know how to interpret those words in language that my people back home in North Dakota can understand when they ask me what this memorial that has been erected in Washington to our beloved Theodore Roosevelt means. I think the people of my country and a lot of people in the United States would much prefer a memorial erected to Teddy Roosevelt showing him on horseback, as so many of us visualize him, perhaps carrying over his shoulder a big stick, with which we all are very familiar as depicting the philosophy of Theodore Roosevelt.

Mr. BURLESON. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I will take but 2 minutes of the time of my colleagues to remind them that this is the anniversary of San Juan Hill. Sixty-two years ago today, on July 1, 1898, Teddy Roosevelt was at San Juan. I, then a boy just turned 16, was privileged to be there, too, in General Shafter's little line of American soldiers driving through the Spanish defenses to Santiago—62 years old today, 62 years ago almost to this very hour. My friendship with Teddy Roosevelt continued from those campaign days at the storming of Santiago in Cuba, 62 years ago, through the dynamic era of his career and until the termination of his administration as President of the United States. I was with him the last half hour that he was in the White House as President of the United States before his departure for the inauguration of President Taft. I was there because his affection for his comrades who had been with him in Cuba 62 years ago remained with him even when he had reached the high office of President of the United States.

I hope that on this anniversary this bill will not be defeated because there is some controversy as to what constitutes art. A concept of art today may not be that of tomorrow. Today's concept may not be that of yesterday. But somehow, as I looked, somewhat at a distance, at the picture of the proposed monument I did not see that which has caused some of my colleagues to criticize the artistry of the architect. All that my eyes saw was a scenic similarity, something that took me back in memory to 62 years ago today; and the design in the center, which in some eyes was a subject for derision, to me the picture held at a little distance looked for all the world as though it were the blockhouse at San Juan Hill, something that symbolized the virility, the dynamic greatness of Teddy Roosevelt. Words are inadequate vehicles for full expression of the language of the heart and art and architecture attempt to supplement, and our eyes will see in every painting and in every design, not what the painter has put on canvas or the

architect in a design, but what experiences and sentiments have built in our own hearts.

I hope that on this 62d anniversary of that July 1 of 1898 when Teddy Roosevelt charged up San Juan Hill we will not be detoured by a controversy about what is art and what is not art. I hope that the bill authorizing a fitting monument to one of the greatest of our Presidents, one who came to the Presidency at the early age of 42 and refired the patriotic dedication of his countrymen in the spirit of the pioneers, will be adopted unanimously.

Mr. BURLESON. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, I am not going to take the full minute. I, too, want to go ahead here in any project that would pay honor to a great American. I think one of the most lusty men we have had in the White House in the last 100 years. But looking at this memorial which we propose to create here, the best thing I could say about it, Mr. Chairman—and I am for building something to honor this great American—but I will tell you what we are building here; I do not care what you call it or what you think it is, we are merely building a bird roost.

Mr. BASS of Tennessee. If you think that is cockeyed you should have seen our display at the World's Fair at Brussels.

Mr. HALEY. There is no use in making two mistakes. Let us stop this thing and build a fitting memorial here to a very great man, rather than something like this.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. BURLESON. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I think we are all very much in accord on this monstrosity that is presented here, but I think we are also very much in accord with the idea that we should build a fitting monument to one of the great Presidents of the United States, and I might say one of the greatest. I think he is entitled to a better fate, and I hope that what has been said here today will convince somebody who has something to do with this, that this is not the type of memorial that should be erected.

I think it would be very bad to have this resolution defeated. I wish, however, it could be amended or something else done to it to show the disapproval of the House of this design. I do not know how to describe this thing.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BURLESON. I just have to say something in defense of this memorial, the physical part of it.

I do not know anything about it except what the authorities say, and this is not to reflect on the gentleman from Virginia or any of his other colleagues who have expressed dissatisfaction with the design, but people with knowledge of art and sculpture have suggested this. It has been approved by many agencies

which have to approve public monuments and buildings in the District of Columbia, including the Fine Arts Commission. It seems to me too much to expect that 437 men could agree here on what should be put up as a monument.

Mr. SMITH of Virginia. I am sorry the gentleman gave me 3 minutes and then used all of it up.

Mr. BURLESON. I will yield the gentleman 2 additional minutes.

Mr. SMITH of Virginia. I do know something about some of these memorials that have been erected in Washington, because I happen to have been a member of the congressional commission that supervised the erection of this very beautiful memorial to Thomas Jefferson down here on the river. We employed the architect, we supervised the design, and I recollect very distinctly that one design of the statue of Thomas Jefferson was such a monstrosity that we unanimously threw it out and had another one made. I wish there could be some congressional commission to look over this thing. When this matter came up to the Rules Committee for a rule my good friend, the gentleman from Texas, presented the picture. Everybody laughed. When the meeting was over and the press came in, some 15 or 20, they wanted to know what had happened. I showed them the picture. Everybody laughed. I do not want to see a memorial to this great man, Theodore Roosevelt, erected here at the Nation's Capital that everybody who comes to Washington and looks at it is going to laugh. I do not think that is what we intend here.

May I say in conclusion, sir, that I think to do anything other than pass a resolution for this would be a very sad thing. Therefore I am going to vote for it even if it is going to be a nesting place for all of the starlings in the metropolitan area.

Mr. SCHENCK. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, a reading of the bill before us does not refer to any particular design. It just says that the Secretary of the Interior shall erect on the island there such monument or memorial to the memory of Theodore Roosevelt that may be approved by the Theodore Roosevelt Association, the Commission of Fine Arts, and the National Capital Park and Planning Commission. Maybe enough has been said here that those organizations that ought to know what they are doing will take a second look at it. It certainly would be a sad commentary if we were to refuse to adopt this bill today to honor the memory of a great American.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. This is the design that has already been approved by the Theodore Roosevelt Commission. It is the one they have approved, and it is the one we have to approve.

Mr. HALLECK. I do not read the bill that way. It would seem to me there

cannot be any finality in that regard before the legislation is enacted into law.

Mr. BURLESON. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I have been through some of this with these architects as chairman of the Subcommittee on the State Department having to do with State Department buildings. I have questioned some of their extreme designs. But I find myself, on one of the rare occasions, completely in agreement with the gentleman from Indiana. I am not an expert, I do not know if this is the most suitable design for Theodore Roosevelt or not, but I think we ought to pass the bill. Perhaps the gentleman from Indiana and others can have some influence on the people downtown, if they think this is the wrong design.

I would like to point out that you can get all sorts of opinions about a thing like this. The gentleman from Tennessee talked about the building we had at the World's Fair in Brussels. It so happens they took a poll of the people who visited the World's Fair at Brussels, and the American building was the overwhelming winner, as the most beautiful on the grounds, by 75 or 80 percent.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I did not mention the building. I said the displays inside the building.

Mr. HAYS. Of course, there were a lot of displays I did not approve of, either; on the other hand, there were displays that I did approve. If the gentleman from Tennessee had been picking them out, there would be some things I would not like and if I had been picking them out it would be the other way around.

Mr. BURLESON. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, I as a member of the committee concerned with this monument had not opposed it in the committee. The structure of the memorial got me a little bit, and I was concerned as to what to do about it. I feel like the gentleman from Indiana, in order to get the thing out of the committee and into the House, I supported it. Let us pass it and then go to the Commission and see what we can do to change the architecture.

I respectfully request that we consider this favorably as a monument to a great American that is so admired by not only those who knew him but especially by the youth of America.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from New York.

Mr. O'BRIEN of New York. Have we not overlooked today the fact that this must be approved by the Theodore Roosevelt Association, a group of people in this country who are dedicated to the memory of Theodore Roosevelt? If they think it is proper, I will go along with them.

Mr. LESINSKI. When an artist does not know how to draw, he starts making figures, and then imagines what it is. That is exactly what this is.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from New York.

Mr. DEROUNIAN. The living daughters of Theodore Roosevelt approve the design as is. I think it is about time that we quit ridiculing the creation by a world's great artist in memory of the great Theodore Roosevelt.

Mr. BURLESON. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Chairman, as a member of the committee who voted for this legislation, I intend to vote for it today on passage. I do not know of any Member of this body who has a legitimate claim on being an art critic. The figure is recognizable. It looks like a gyroscope, or perhaps it is a statue taken from Rockefeller Center with Prometheus removed from it. But, related to my eyes, since I am not a critic, it might be a yo-yo. But, the fact is that it was carefully considered by people whose business it is to know about these things. I think it is a good design and therefore I do not think it is unreasonable.

Mr. WOLF. Mr. Chairman, I intend to vote against the Theodore Roosevelt Memorial bill, H.R. 8665.

I want the RECORD to show, however, that I am not opposed to the idea of honoring this great American; on the contrary I believe he should be honored greatly.

Theodore Roosevelt had a great influence on my life. His courage and spirit was the source of much study by this Member. His fight of the great monopolies of his time, his enthusiasm for conservation, his desire to protect our natural resources inspired my early days and encouraged me toward my desire for a life of service to my country. I wish we had another man so concerned with the welfare of the people of America as Teddy Roosevelt was, today.

I want to see him honored every day. In the last few weeks, however, we have been told that we didn't have money enough in the Federal Treasury to take care of our needy, when we have been told we could not give our public servants in the post office a decent wage, when we have been told we cannot properly prepare for our own defense because we cannot afford it, when we have been told that we cannot properly educate our youth because we cannot afford it.

Mr. Chairman, I am convinced that if these theses are true then surely our great President, Teddy Roosevelt would also feel we couldn't afford to build a stone monument in the middle of a river.

With or without this memorial Teddy Roosevelt will live on in the hearts of all Americans who want to see the tradition of independent action and protection of the underdog in government and in the Nation.

This is his memorial and a great one.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to establish a memorial to Theodore Roosevelt in the National Capital", approved May 21, 1932 (40 U.S.C. 126), is amended to read as follows:*

*"SEC. 3. That the Secretary of the Interior shall erect on Theodore Roosevelt Island such monument or memorial to the memory of Theodore Roosevelt, and related structures, as may be approved by the Theodore Roosevelt Association, the Commission of Fine Arts, and the National Capital Planning Commission. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."*

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

*Amendment offered by Mr. JONES of Missouri: On page 2, line 3, strike out all of line 3 after the period and all of lines 4 and 5 and insert the following "Provided, That no Federal funds shall be authorized or appropriated for the construction or erection of such monument or memorial."*

Mr. JONES of Missouri. Mr. Chairman, I think the amendment speaks for itself. They can build anything they want to with private funds. This is just to keep Federal funds from being spent.

Mr. Chairman, I move the adoption of the amendment.

Mr. REECE of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there has been no money spent by the Federal Government for any plans nor for Theodore Roosevelt Island, which the Government owns in fee simple. The real estate, some 80 acres, which is valued today conservatively at \$3 million, was donated to the Federal Government by the Theodore Roosevelt Memorial Association. That association has spent in excess of \$475,000 for the real estate and the small development that has already taken place. So, the Federal Government has property here which realtors would put a value on of about \$5 million, which was donated by this memorial association. And, in connection with the construction of the bridge and the development of this area it is now proposed that a suitable memorial should be built.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield to the gentleman from Texas.

Mr. BURLESON. Is it not also true that the association will spend additional sums in landscaping the entire island and doing a great many things which the \$886,000 does not touch, and this is applicable only to the development in the immediate vicinity of the armillary and its immediate environs; is that not true?

Mr. REECE of Tennessee. That is correct. The failure to properly develop that island, located as it is, is a disgrace to the Federal Government and a disgrace to the memory of one of the great Presidents of the United States, whom we are undertaking to honor here this afternoon. Unfavorable action upon this amendment would be misconstrued throughout the world. If we ever had a



President who was recognized throughout the world as representing the forward spirit and power of America, it was Theodore Roosevelt, and now, in this critical hour, to cast a shadow over the record of that great man would certainly, in my opinion, be unfortunate.

Mr. Chairman, I hope the amendment will be defeated.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should still like to find out who is going to build the bridge that is necessary to be built to this island.

Mr. BURLESON. Does the gentleman have reference to the bridge that is now being built over the Potomac?

Mr. GROSS. No. I wonder how you are going to get from Virginia over to the island.

Mr. BURLESON. There is a temporary structure there at this time, and that was built with funds from this association; at least, I am not sure that anyone else had any funds in it or not. But the bridge, both the foot bridge and the vehicular bridge, will be included in perhaps a part of this \$886,000, but that is another one of those items in which we contribute to funds now owned by the association.

Mr. GROSS. The gentleman is saying perhaps this will be done and perhaps that will be done. I would just like to know who is going to build the bridge.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I think I can tell you that the cost of that bridge will be in addition to this cost.

You will find from the report that the \$886,000 estimate does not include any estimate for the building of the bridge which will have to be done either by the National Park Service or some other agency of the Federal Government. That is another cost that will have to be added.

Mr. GROSS. That is what I thought.

Mr. DEROUNIAN. The bridge is provided for under the Theodore Roosevelt Bridge Act, as it is called.

Mr. GROSS. But the money will come out of the Treasury, no matter where it is authorized or whether it is authorized or unauthorized?

Mr. DEROUNIAN. It will come out of the Treasury.

Mr. GROSS. Of course it will. But that is not included in this figure before us, as I understand it.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. REECE of Tennessee. The authorization for the access to the island was made without regard to the construction of a monument. Whatever is planned will be executed without reference to the monument at all.

Mr. GROSS. Mr. Chairman, I would like to say this. My sense of aesthetic values was never well developed. I guess I am short on cultural education, too; because, when I look at this thing here, whatever it is, I do not relate it to

Teddy Roosevelt riding up San Juan Hill. If they ever put that thing up, I would be looking for a launching pad somewhere around it. I rather imagine that you ought to go down to Cape Canaveral to get someone to come up and mount this. I cannot see in this any monument to Theodore Roosevelt. Two and two do not make four when you talk in terms of Theodore Roosevelt and that crazy thing there.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. BASS of Tennessee. I hope the remarks that I have made in colloquy with Members will be interpreted exactly as the gentleman has spoken. I do not oppose a monument to a great man like Teddy Roosevelt, but I certainly think that this design that has been shown here on the floor today is inappropriate to the record of this man whom we hope to memorialize in this way.

Mr. GROSS. I will say to the gentleman that this bill ought to go back to the committee. They ought to do their homework on it and bring it back and tell us that this is not the design, that we are going to have something that is truly representative of Theodore Roosevelt.

Mr. BASS of Tennessee. I am in full agreement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The question was taken; and on a division (demanded by Mr. JONES of Missouri) there were—ayes 12, noes 59. So the amendment was rejected.

Mr. HOSMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time now because I could not get anybody to yield to me during the earlier part of this debate.

I agree we should have a memorial, and I point out no matter what the memorial is there will always be somebody who will fight about the design. It is the kind of thing that starts fist fights at Quaker picnics. I do not particularly like it myself. It does not bring to mind the peace of Portsmouth or the Great White Fleet or the charge at San Juan Hill, or the other great happenings in the history and tradition of and love for this man that we have. Nevertheless, it will probably make about half the people happy, anyway.

What bothers me is this: I think the issue is not whether he was a great man or not. The issue is not whether this thing is going to be approved by more than half of the people. What I want to find out, and I ask this of the gentleman from New York, the sponsor of the bill, has to do with these 88 acres on this island where this memorial is going to be put. How are you going to keep the place from becoming a picnic ground, a garbage dump, a lovers lane, or a few other things? What is the provision regarding that particular phase of the memorial which is to be a constant expense and the duty of whoever is supposed to be in charge of it?

Mr. DEROUNIAN. Since the property is owned by the Federal Government in

fee simple it will be handled by the National Park Service as are all the other national parks.

Mr. HOSMER. Will the gentleman tell me where on the 88 acres this particular memorial is to be erected?

Mr. DEROUNIAN. It will be on the right-hand side as you go from Washington to Virginia over the bridge.

Mr. HOSMER. Will it cover the entire 88 acres or a portion thereof, or what?

Mr. DEROUNIAN. It will not cover the entire area. It will cover the tip where the anchors to the bridge are now standing.

Mr. HOSMER. What will be done in connection with the rest of the island, which, in accordance with my understanding, is supposed to be utilized as a wildlife refuge and a place for people who want to get out in the open?

Mr. DEROUNIAN. That will remain in its wild state.

Mr. HOSMER. Will it be available to people for picnics, people who visit the monument and then want to go out over the rest of the island?

Mr. DEROUNIAN. It will be available on the same basis it is now.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield.

Mr. REECE of Tennessee. After some facetious remarks made about this sketch of the proposed memorial earlier I did a little research. I found that when the Washington Monument was in the process of construction similar disparaging remarks were made about it, that it would be a shaft that did not represent anything. Then I came up to the Lincoln Memorial, and they spoke about its being a pile of granite. Critical and facetious remarks were made about that. As other Members have said, we, at least I am not a competent authority or critic on art, but we have a Fine Arts Commission that is supposed to be competent on that.

Mr. HOSMER. I understand that, but I should like the gentleman to assure me that the space on the island that is not occupied by the bridge and not occupied by the memorial will continue as a wildlife refuge, be continued in its natural state, and be kept in a clean, natural condition.

Mr. REECE of Tennessee. It will be, and that authority is vested in the Secretary of the Interior.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ABERNETHY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8665) to amend the act entitled "An act to establish a memorial to Theodore Roosevelt in the National Capital" to provide for the construction of such memorial by the Secretary of the Interior, pursuant to House Resolution 574, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. JONES of Missouri. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JONES of Missouri. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JONES of Missouri moves to recommit the bill H.R. 8665 to the Committee on House Administration.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. JONES of Missouri) there were—yeas 28, noes 125.

Mr. JONES of Missouri. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 59, nays 308, not voting 64, as follows:

[Roll No. 175]

YEAS—59

|             |              |              |
|-------------|--------------|--------------|
| Abbitt      | Forrester    | McGinley     |
| Abernethy   | Fountain     | Magnuson     |
| Alexander   | George       | Matthews     |
| Alger       | Goodell      | Norblad      |
| Andrews     | Green, Oreg. | Pillion      |
| Ashmore     | Gross        | Pirnie       |
| Baring      | Haley        | Quie         |
| Bass, Tenn. | Hemphill     | Reuss        |
| Berry       | Herlong      | Rogers, Fla. |
| Brock       | Hogan        | Rutherford   |
| Collier     | Huddleston   | Scherer      |
| Cooley      | Hull         | Siler        |
| Cunningham  | Jennings     | Utt          |
| Davis, Ga.  | Johnson, Md. | Weaver       |
| Derwinski   | Jones, Mo.   | Whitener     |
| Devine      | King, Utah   | Whitten      |
| Diggs       | Kitchin      | Williams     |
| Dorn, S.C.  | Kyl          | Winstead     |
| Dowdy       | Lennon       | Wolf         |
| Flynt       | Lipscomb     |              |

NAYS—308

|                 |              |               |
|-----------------|--------------|---------------|
| Adair           | Brademas     | Cramer        |
| Addonizio       | Bray         | Curtin        |
| Albert          | Breeding     | Curtis, Mass. |
| Allen           | Brewster     | Curtis, Mo.   |
| Andersen, Minn. | Brooks, Tex. | Daddario      |
| Anderson, Mont. | Broomfield   | Dague         |
| Anfuso          | Brown, Ga.   | Daniels       |
| Arends          | Brown, Mo.   | Davis, Tenn.  |
| Ashley          | Brown, Ohio  | Delaney       |
| Aspinall        | Broyhill     | Dent          |
| Avery           | Burke, Ky.   | Denton        |
| Bailey          | Burke, Mass. | Derounian     |
| Baldwin         | Burleson     | Dingell       |
| Barr            | Byrne, Pa.   | Dixon         |
| Barrett         | Byrnes, Wis. | Donohue       |
| Barry           | Cahill       | Dooley        |
| Bass, N.H.      | Canfield     | Dorn, N.Y.    |
| Bates           | Cannon       | Downing       |
| Becker          | Casey        | Doyle         |
| Beckworth       | Cederberg    | Dulski        |
| Belcher         | Chamberlain  | Durham        |
| Bennett, Fla.   | Chelf        | Dwyer         |
| Betts           | Chenoweth    | Elliott       |
| Boggs           | Chipperfield | Everett       |
| Boland          | Church       | Evins         |
| Bolling         | Clark        | Fallon        |
| Bolton          | Coad         | Farbstein     |
| Bonner          | Coffin       | Fascell       |
| Bosch           | Cohelan      | Feighan       |
| Bow             | Colmer       | Fenton        |
| Boykin          | Conte        | Fino          |
|                 | Cook         | Fisher        |
|                 | Corbett      | Flood         |

|                 |                 |                |
|-----------------|-----------------|----------------|
| Flynn           | Lindsay         | Ray            |
| Fogarty         | Loser           | Reece, Tenn.   |
| Foley           | McCormack       | Rees, Kans.    |
| Ford            | McCulloch       | Rhodes, Ariz.  |
| Frazier         | McDonough       | Rhodes, Pa.    |
| Frelinghuysen   | McDowell        | Riehlman       |
| Friedel         | McFall          | Riley          |
| Fulton          | McGovern        | Rivers, Alaska |
| Gallagher       | McIntire        | Rivers, S.C.   |
| Garmatz         | Machrowicz      | Roberts        |
| Gary            | Madden          | Robison        |
| Gathings        | Mahon           | Rodino         |
| Gavin           | Mailliard       | Rogers, Colo.  |
| Glaimo          | Marshall        | Rogers, Mass.  |
| Gilbert         | May             | Rogers, Tex.   |
| Granahan        | Meador          | Rooney         |
| Grant           | Morrow          | Roosevelt      |
| Gray            | Metcalf         | Rostenkowski   |
| Griffiths       | Meyer           | Roush          |
| Gubser          | Michel          | St. George     |
| Hagen           | Miller, Clem    | Santangelo     |
| Halleck         | Miller,         | Saund          |
| Halpern         | George P.       | Saylor         |
| Hardy           | Miller, N.Y.    | Schenck        |
| Hargis          | Milliken        | Schneebell     |
| Harmon          | Mills           | Schwengel      |
| Harris          | Minshall        | Selden         |
| Hays            | Mitchell        | Shelley        |
| Healey          | Moeller         | Shipley        |
| Hechler         | Monagan         | Simpson        |
| Henderson       | Montoya         | Sisk           |
| Hess            | Moore           | Slack          |
| Hiestand        | Moorhead        | Smith, Calif.  |
| Hoeven          | Morris, N. Mex. | Smith, Miss.   |
| Hoffman, Ill.   | Morgan          | Smith, Va.     |
| Hoffman, Mich.  | Morrison        | Springer       |
| Holland         | Moss            | Staggers       |
| Holt            | Moulder         | Stratton       |
| Holtzman        | Multer          | Stubblefield   |
| Hosmer          | Murphy          | Sullivan       |
| Ikard           | Murray          | Teague, Calif. |
| Inouye          | Natcher         | Teague, Tex.   |
| Irwin           | Nelsen          | Teller         |
| Jarman          | Nix             | Thomas         |
| Jensen          | Norrell         | Thompson, N.J. |
| Johansen        | O'Brien, Ill.   | Thompson, Tex. |
| Johnson, Calif. | O'Brien, N.Y.   | Thomson, Wyo.  |
| Johnson, Colo.  | O'Hara, Ill.    | Thornberry     |
| Johnson, Wis.   | O'Hara, Mich.   | Toll           |
| Jonas           | O'Konski        | Tollefson      |
| Judd            | O'Neill         | Trimble        |
| Karsten         | Oliver          | Tuck           |
| Karth           | Osmers          | Ullman         |
| Kasem           | Ostertag        | Vanik          |
| Kastenmeier     | Passman         | Van Felt       |
| Kee             | Patman          | Van Zandt      |
| Keith           | Pelly           | Wallhauser     |
| Kelly           | Perkins         | Walter         |
| Kilday          | Proft           | Wampler        |
| Kilgore         | Philbin         | Watts          |
| King, Calif.    | Poage           | Wels           |
| Knox            | Poff            | Westland       |
| Kowalski        | Porter          | Wharton        |
| Laird           | Powell          | Widnall        |
| Lane            | Price           | Wier           |
| Langen          | Prokop          | Wilson         |
| Lankford        | Pucinski        | Wright         |
| Latta           | Quigley         | Yates          |
| Lesinski        | Rabaut          | Young          |
| Levering        | Rains           | Zablocki       |
| Libonati        | Randall         |                |

NOT VOTING—64

|                |               |               |
|----------------|---------------|---------------|
| Alford         | Griffin       | Plicher       |
| Auchincloss    | Harrison      | Preston       |
| Ayres          | Hébert        | Scott         |
| Baker          | Hollifield    | Sheppard      |
| Barden         | Horan         | Short         |
| Baumhart       | Jackson       | Sikes         |
| Bennett, Mich. | Jones, Ala.   | Smith, Iowa   |
| Bentley        | Kearns        | Smith, Kans.  |
| Blatnik        | Keogh         | Spence        |
| Blitch         | Kilburn       | Steed         |
| Bowles         | Kirwan        | Taber         |
| Brooks, La.    | Kluczynski    | Taylor        |
| Buckley        | Lafore        | Thompson, La. |
| Budge          | Landrum       | Udall         |
| Burdick        | McMillan      | Vinson        |
| Carnahan       | McSweeney     | Wainwright    |
| Celler         | Macdonald     | Willis        |
| Dawson         | Mack          | Withrow       |
| Edmondson      | Martin        | Younger       |
| Forand         | Mason         | Zelenko       |
| Glenn          | Morris, Okla. |               |
| Green, Pa.     | Mumma         |               |

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wainwright for, with Mr. Baker against.

Until further notice:

Mr. Burdick with Mr. Martin.  
Mr. Alford with Mr. Auchincloss.  
Mr. Hébert with Mr. Mason.  
Mr. Thompson of Louisiana with Mr. Kilburn.  
Mr. Willis with Mr. Horan.  
Mr. Kirwan with Mr. Glenn.  
Mr. Hollifield with Mr. Ayres.  
Mr. Carnahan with Mr. Mumma.  
Mr. Morris of Oklahoma with Mr. Kearns.  
Mr. Green of Pennsylvania with Mr. Bennett of Michigan.  
Mr. Edmondson with Mr. Short.  
Mr. Kluczynski with Mr. Taylor.  
Mr. Sheppard with Mr. Griffin.  
Mr. Sikes with Mr. Jackson.  
Mr. Vinson with Mr. Baumhart.  
Mr. Zelenko with Mr. Lafore.  
Mr. Celler with Mr. Withrow.  
Mr. Scott with Mr. Taber.  
Mr. Smith of Iowa with Mr. Bentley.  
Mr. McMillan with Mr. Smith of Kansas.  
Mr. Harrison with Mr. Budge.  
Mr. Mack with Mr. Younger.

Mr. COLLIER changed his vote from "nay" to "yea."

Mr. KASEM changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 778. Joint resolution making temporary appropriations for the fiscal year 1961, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1315. An act for the incorporation of the Blue Star Mothers of America, Inc.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11135) entitled "An act to aid in the development of a coordinated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize negotiation to create an interstate agency; and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11389) entitled "An act making appropriations for the Executive Office of the President and sundry general government agencies for the fiscal year ending June 30, 1961, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R.



11776) entitled "An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12231) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12232) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes."

#### VALIDATING CERTAIN OVER-PAYMENTS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 900) to amend section 7 of the act of August 18, 1941, to provide that 75 percent of all moneys derived by the United States from certain recreational activities in connection with lands acquired for flood control and other purposes shall be paid to the State; to validate certain payment; and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Reserving the right to object, Mr. Speaker, what is this bill?

Mr. POAGE. It is a bill that was on the Consent Calendar last week. At the instance of the gentleman from Nebraska [Mr. WEAVER] it was passed over, he thinking that it was a bill that the gentleman from Iowa [Mr. JENSEN] wanted objected to. The gentleman from Iowa said it was the wrong bill, and he has no objection to passing it.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, what is the bill?

Mr. WEAVER. If the gentleman will yield, the gentleman is stating the facts as they exist. I have no objection.

Mr. POAGE. I will explain it.

This bill relates to certain funds, about \$8,000, that the Army Engineers paid to three school districts in my district, thinking that it was proper under existing law for them to have a share of revenues collected from licenses on a lake. About 5 years later the Comptroller General held that the payments were erroneously made and has asked for a refund of the payments. The school districts cannot repay them without firing teachers.

Mr. HOFFMAN of Michigan. The payments were made to individuals?

Mr. POAGE. The payments were made to school districts. The law presently provides that 75 percent of all of

the revenues from taxes and fees collected on these lakes shall be paid to the local school districts.

Mr. HOFFMAN of Michigan. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved August 18, 1941, as amended (33 U.S.C., sec. 701c-3) is amended by adding immediately after "hydroelectric power," the following: "and on account of the sale, lease, or rental of boats or the operation of any other recreational activity in connection with such lands."*

Sec. 2. Payments made by the Secretary of the Treasury to a State under authority of section 7 of the Act of August 18, 1941, as amended (33 U.S.C., sec. 701c-3) before the effective date of the first section of this Act which would have been valid if the amendment made by the first section of this Act had been in effect and applicable to such payments, are hereby validated.

Sec. 3. The Comptroller General of the United States, or his designee, shall relieve all certifying and disbursing officers of the United States from accountability or responsibility, for any payment validated by section 2 of this Act, and shall allow credit in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

Sec. 4. The first section of this Act shall take effect July 1, 1959.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That any payments heretofore made by the Secretary of the Treasury to a State in sharing revenues from recreational activities under the authority of section 7 of the Act of August 18, 1941, as amended (55 Stat. 638, 650; 68 Stat. 1248, 1266), except for any that may have been fraudulently obtained, are hereby validated without regard to the source of the funds from which the payments were made."

"Sec. 2. The Comptroller General of the United States, or his designee, shall relieve all certifying and disbursing officers of the United States from accountability or responsibility for any payment validated by section 1 of this Act, and shall allow credit in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to validate certain overpayments inadvertently made by the United States to several of the States and to relieve certifying and disbursing officers from liability therefrom."

A motion to reconsider was laid on the table.

#### LEGISLATIVE PROGRAM FOR TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the gentleman from Oklahoma if he can give us some information as to the program for tomorrow.

Mr. ALBERT. The majority leader has asked me to announce that tomorrow the first order of business will be the consideration of conference reports. This will be followed by the following bills:

H.R. 10876, land-grant colleges.

H.R. 2467, Chantilly Airport reimbursement.

Senate Joint Resolution 170, NATO, citizen participation.

H.R. 12595, airmail transportation.

H.R. 12622, jurisdiction of U.S. district courts.

H.R. 7201, "Up Stream"—"Down Stream" dams.

H.R. 12552, judgeship bill.

Senate Concurrent Resolution 112, which is the recess resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. Is this all emergency legislation?

Mr. ALBERT. It is all important legislation, I will say to the gentleman.

Mr. ARENDS. Are these items coming up in the order in which they are listed, or will they be changed around?

Mr. ALBERT. It is expected to bring them up more or less in the order in which they are listed.

May I advise the gentleman further that there is no other important business for today, other than unanimous-consent requests.

#### SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 589, 86th Congress, the Chair appoints as members of the Special Committee To Investigate Campaign Expenditures the following Members of the House: Messrs. DAVIS of Tennessee, JONES of Alabama, O'BRIEN of New York, CRAMER, and DEVINE.

#### SISTER CAROLINA ET AL.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3524) for the relief of Sister Carolina (Antonietta Vallo), Sister Noemi (Francesca Carbone), Sister Marta (Sabina Guglielmi), Sister Rafaela (Angela Siculo), Sister Maria Annunziata (Teresa Carbone), and Sister Marisa (Carolina Nutricati) with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 7, strike out "and".

Page 1, line 7, after "Nutricati)" insert "Sister Maria Carmen Mercero-Penagari-cano, Sister Milagros Cuezva-Samaniego, Sister Teresa Uribarren-Bengoa, Sister Mer-

cedes Jauregui-Zabala, Sister Maria Teresa Guijarro-Burro, Sister Begona Perez Caballero-Garay, Sister Maria Pilar Latasa-Lolizaga, Sister Felisa Perez-Iturriaga, Sister Immaculada Ochoa de Retana-Guitierrez, Sister Maria Angeles Amunarriz-Aguirre, Sister Sabina Maria Mercedes Irala-Rodriguez, Sister Gregoria Hornes-Ortega, Sister Maria Dolores Mendoza-Negrillo, Sister Mariana Lecumberri-Ardanaz, Sister Libia Anuzita-Zubizarreta, Sister Maria Teresa Arias-Martinez, Sister Ana Maria Puyo-Ochandiano, Sister Ana Maria Basaldua-Giaminde, Sister Maria Teresa Gonzalez-Garcia, and Sister Isabel Prieto-Sanchez.

Amend the title so as to read: "An Act for the relief of certain aliens".

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### RELIEF OF JACK DARWIN

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7033) for the relief of Jack Darwin, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

After line 5, insert:

"Sec. 2. For the purposes of the Immigration and Nationality Act, Adolphe Herstein shall be deemed to have been born in France."

After line 5, insert:

"Sec. 3. For the purposes of the Immigration and Nationality Act, Nicholas Anthony Marcantonakis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this section of this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

Amend the title so as to read: "A bill for the relief of Jack Darwin, Adolphe Herstein, and Nicholas Anthony Marcantonakis."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### DAISY PONG HI TONG LI

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3076) for the relief of Daisy Pong Hi Tong Li.

The Clerk read the title of the bill.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I would like to ask the gentleman what became of the bill I introduced to get those two little girls over here. We passed it here and it has gone over to the Senate.

Mr. WALTER. It is a very meritorious measure. I may say to the gentleman from Michigan, and for that reason I am certain the other body will consider it before the recess.

Mr. HOFFMAN of Michigan. Yes; that is all right, it is a good bill, but these little girls will be gray-headed before the other body acts to bring them over here.

Mr. WALTER. May I suggest that the gentleman discuss this with the Judiciary Committee of the Senate.

Mr. HOFFMAN of Michigan. Every day we have called the clerk of the Judiciary Committee and always they say they are going to get it out, but nothing is ever done about it. I am going to object to these bills unless I can get action on mine. That is the only practical thing to do.

Mr. WALTER. The gentleman does not want to object to bills of this sort at this time because it is exactly the type of bill in which he is interested.

Mr. HOFFMAN of Michigan. Yes, but I would like to have my bill come along with the others. Everybody admits it is a good bill but they don't do anything about it.

Mr. Speaker, I withdraw my reservation of objection but I wish the gentleman would speak to somebody over there.

Mr. WALTER. I speak to the chairman of the Judiciary Committee every time I meet him, telling him that we have legislation that should be acted on. I spoke to him about seven or eight bills included in which is the gentleman's bill and was assured it would be included.

Mr. HOFFMAN of Michigan. I appreciate what the gentleman has done. While I cannot criticize a Member of the other body, still I can think about them.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Act of September 11, 1957 (8 U.S.C. 1153; 71 Stat. 642), to amend the Immigration and Nationality Act, and for other purposes, Daisy Pong Hi Tong Li shall be deemed to be within the purview of section 12 of that Act.*

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PERVERSION OF THE TRUTH

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, the life-and-death struggle in which the forces of freedom are engaged with the world Communist conspiracy is, in large measure, an ideological battle in which the immediate objective is to capture the minds of men. If, as we believe, the

cause of freedom embodies the truth, in contrast to the lie of tyranny, then it is of paramount importance that truth itself be an object of dedication by those media which inform the citizenry in our free society.

That the power of the press is great, particularly in the ideological battle with international communism is evidenced by the fact that the Communists devote tremendous sums and energy to the printed word which they spread across the globe.

Except for its liability under the criminal and civil libel laws, a newspaper, under our Constitution, has the right to twist or distort any item of news and to express any opinion or discoloration of fact in its editorials. In other words, in order to maintain freedom of the press, we quite properly accept the possibility and indeed the probability that that freedom will be abused.

As one who has been honored and entrusted for over a quarter of a century with a small fraction of governmental power, I will defend unto the death the right, under our constitutional form of government, and particularly under the Bill of Rights, for any newspaper to report the news and to editorialize in any manner which it sees fit, except for its responsibility under the libel laws.

At the same time I think it is the duty of public officeholders to challenge forthrightly the news accounts and editorials which they deem to be untruthful and which misinform the public, especially on issues of great moment. All too often officeholders cringe from engaging in controversy with a newspaper because of the very power of the press.

I conceive it to be my duty, Mr. Speaker, as a Member of this body and as chairman of the Committee on Un-American Activities, to assert that the Washington Post has, in the recent past, been guilty, not of mere irresponsible or slipshod reporting, not of unintentional misconstruction of the facts—but of the greater sin against the public, that of deliberate perversion of the truth by news accounts, cartoon, and editorials. I further assert that the items which I shall shortly detail, are malicious and that they are inconsistent with any other conclusion than that they are deliberately designed to serve the interest of the international Communist conspiracy.

On May 25, 1960, in an editorial entitled "Dangerous Ideas," the Washington Post attacked the Post Office Department and the U.S. Customs Service because of what the editorial characterizes as the "obnoxious" practice of intercepting Communist propaganda which is being sent into this country in violation of the law in ever-increasing volume. The editorial critically states:

The current procedure is to impound any material sent from overseas if the Customs Bureau or the Post Office Department supposes it to be Communist propaganda or if it comes from Communist-dominated countries.

The whole tenor of the editorial, which urges the Senate Constitutional Rights Subcommittee to investigate the "practice" is that the Post Office and Bureau of the Customs were engaged in



illegal acts so that names of innocent intended recipients could be placed "on some sort of blacklist to be used by future heresy hunters."

The truth of the matter, which is readily available by a phone call to the Post Office Department or the Customs Bureau, or by a quick reference to the law, is that the Foreign Agents Registration Act requires the labeling of any political propaganda which is sent into this country. The law has carefully prescribed criteria as to what is or is not political propaganda. The law is based on the same concepts upon which are founded our food and drug laws, namely, that the recipient or user has a right to know the nature of the article. Irrespective of the wisdom of the law, it is the law and in intercepting Communist propaganda which comes into this country in violation of the law, the officers of the Post Office Department and the Bureau of the Customs only perform their sworn duty.

Taken by itself, this editorial might be construed as only an expression of the judgment of the editorial writer who may have been misinformed or misguided as to the facts. When considered in connection with other items, however, appearing in the Washington Post which I shall discuss, it assumes its place as an integral part of a campaign designed to mislead the reader as to the facts regarding the threat which Communist propaganda poses to this Nation and the efforts which duly constituted governmental agencies, including the House Committee on Un-American Activities, are making to cope with it.

Mr. Speaker, on June 14 I directed the attention of the House to the scurrilous series of articles, which appeared under the byline of Don Oberdorfer and Walter Pincus in the Knight newspapers and which appeared locally in the Washington Post. At that time I pointed out the consistent misrepresentations of those articles which not only attempted to smear the Committee on Un-American Activities because of hotel bills of one or two members which are portrayed as excessive, but which likewise depicted the Committee on Un-American Activities as the sponsor of a "road show" which the committee was said to have conducted from city to city where, according to the articles, the same testimony and the same mail sacks of Communist propaganda were used in repeat performances.

Although the truth regarding both the expense accounts of the committee and the facts regarding the committee's investigation of Communist propaganda in its various facets were repeatedly explained to the press, the Washington Post unleashed one of the worst barages of distortion and vilification that I have ever witnessed in the public press. In a cartoon by Herblock, the Committee on Un-American Activities, collectively as an entity, is portrayed at a nightclub with all the suggestions of immoral and illegal conduct which the pen could sketch. Liquor at taxpayers' expense is pictured as flowing freely, but charged on expense accounts as "food." The committee collectively is shown in company with a person of obvious im-

moral character who is being entertained again at taxpayers' expense under the pretense of an investigation. I have been advised, Mr. Speaker, by lawyers who are specialists in libel law that this cartoon constitutes a clear case of libel of every member of the Committee on Un-American Activities and that the cartoon is definitely actionable in the courts.

Even the Washington Post in an editorial, which I shall subsequently discuss, states with reference to my own expenses as chairman of the committee:

The chairman, Representative FRANCIS E. WALTER, it should be acknowledged, has been pretty Spartan in his habits.

But then I, as chairman of the committee, am stigmatized in the cartoon along with the other members who are collectively represented by a dissipated law violator. May I say in passing, that the Easton Express of my home community, Easton, Pa., reproduced the Herblock cartoon, which went into the homes of lifelong friends of mine whose trust and confidence I have prized above any material thing of this world.

Why did the Washington Post attack collectively the Committee on Un-American Activities as an entity because of expense statements of one or two members which were the subject of adverse comment in the Oberdorfer-Pincus articles? If a committee is to be charged as an entity and the members indicted collectively because expense statements of one or two members are brought into question, why did not a similar pattern prevail with reference to other committees of the Congress on which serve members who likewise were the subject of unfavorable comment in the Oberdorfer-Pincus articles? Could it be that the Washington Post which could not see anything wrong in the traitorous conduct of an Alger Hiss and which has consistently apologized for Communist treachery on American soil, did see an opportunity to strike another blow against the forces of this Government which are coming to grips with the most deadly enemy our Nation has ever faced?

But, let us continue with a consideration of the items appearing in the Washington Post. Coupled with the attack against the Committee on Un-American Activities, on the spurious ground of misuse of public funds, there was featured in the Washington Post the Oberdorfer-Pincus article on the so-called "road show" which was stated to be sponsored by the Committee on Un-American Activities. Remember, the Oberdorfer-Pincus articles were billed as an exposé of high and extravagant living by Congressmen at taxpayers' expense. It was a neat trick of journalistic juggling to train the guns on the committee's investigations of the flood of Communist propaganda coming to this country. In order to keep the theme of excessive expenditures, the articles pursued the line that in its investigations of Communist propaganda the Committee on Un-American Activities heard essentially the same testimony at different areas in the Nation and thereby wasted committee expense money. This theme, of course, gave a pretense of consistency

to the attack which ensued against the Committee on Un-American Activities for its investigations of Communist propaganda.

Mr. Speaker, the Committee on Un-American Activities has just reported to the House a bill containing important provisions which plug loopholes in our laws pursuant to which Communist propaganda has been coming to this country in flood proportions. The committee has taken extensive testimony on many aspects of this problem. As chairman of the committee and as the author of the legislation which was reported, I have spent hour after hour in conference with our staff and with experts from the executive departments attempting to evolve effective legislation, and yet to preserve basic civil rights. In its editorial of Friday, June 10, 1960, entitled "Wandering Minstrels," the Washington Post continues with the attack which it launched on May 25, 1960, which was before the Oberdorfer-Pincus articles appeared. In other words, the Washington Post uses the theme of the Oberdorfer-Pincus articles on expense accounts as a vehicle on which to continue its attack against the committee's efforts to protect this Nation against Communist poison.

The "Wandering Minstrels" editorial of June 10 dovetails perfectly with the "Dangerous Ideas" editorial of May 25. Listen to this quotation from the "Wandering Minstrels" editorial:

Thousands of persons to whom mail happened to be addressed from Iron Curtain countries now have their names in those bulging catchall files of the HUAC.

Speaking again of the Committee on Un-American Activities as a collective entity, the editorial continues:

It is more than time now to ring down a final curtain on this fraud—on its padded expense accounts, its phony posturings and its contempt for the elementary rights of American citizens.

Mr. Speaker, the members of the Committee on Un-American Activities must accept as an occupational hazard the continuous abuse by the Communist press and by Communist sympathizers. It is my studied judgment that the press which is not controlled by identified members of the Communist Party, but which does the dirty work of the Communist Party, is more dangerous to the security of our Nation than the Communist press, because it masquerades behind a facade of independence and impartiality. The best example of this type of press is the Washington Post.

#### HON. RICHARD W. HOFFMAN

Mr. COLLIER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COLLIER. Mr. Speaker, well-deserved tribute to one of our former colleagues in the Congress is forthcoming, and I take this brief time of the Members of the House to bring it to your at-

tention. I do so because I know that many of you here knew this distinguished gentleman well during the four terms he served with you as my predecessor and Representative of the 10th Congressional District of Illinois until his voluntary retirement in 1956. The Honorable Richard W. Hoffman is the gentleman to whom I refer, and I am proud to have him as one of my esteemed constituents.

Time does not permit me to review the many achievements of his service to his community, State and Nation. Most of you are familiar, I am sure, with his work as a Member of this body. I would be remiss, however, if I did not review briefly his tremendous contribution to the system of secondary education in my home district in Illinois.

The Honorable Richard W. Hoffman served as president of the board of the J. Sterling Morton High School for many years. The records of few men who have served in similar capacities rival the achievement of those directed by Mr. Hoffman in his tenure of office prior to his election to the U.S. Congress. Under his guidance the J. Sterling Morton High School, one of the top 10 secondary educational institutions in the country, made tremendous progress in the academic field. Efficiencies in the general administration of this institution were effected and have today provided the people of this district, and particularly the youth, a better education per tax dollar expended.

Under unanimous consent, I insert at this point in the RECORD excerpts from an editorial which appeared in the Life newspapers, published in my district, which so aptly portrays the public service record of former Congressman Hoffman. Certainly this merits the forthcoming honor to be bestowed upon him by the board of education in naming the new J. Sterling Morton High School stadium and athletic field after this outstanding citizen and public servant.

Like a substitute who is sent into a game in the closing minutes to lead a last desperate rally, Hoffman literally and figuratively pulled up Morton by its own bootstraps in the depths of the depression in 1933 when he started his first term on the high school board.

From his wealth of experience as a successful businessman, Hoffman eliminated some 135 payrollers. With the school district's credit exhausted, Hoffman showed his resourcefulness by going empty-handed to the Western Electric Co. where he obtained a sizable and unsecured loan so that the high school could remain open and its teachers could be paid.

He won respect for himself and the school by his obvious sincerity and his responsibility, plunging into the complex problems and emerging with winning solutions at great personal financial sacrifice to himself and to his own expanding business.

At the end of his first term in 1936, Hoffman found it necessary to devote more time to his personal business affairs—but he never lost his interest in Morton High School.

When 1939 rolled around, Morton's affairs had degenerated into even worse shape than was the case in 1933. Our community was embarrassed by nationwide unfavorable publicity from school strikes, and low teacher and student morale.

Teachers and other employees were being paid in scrip, which was being discounted as

much as 50 percent by insiders in the high school picture.

The sad state of affairs at Morton was documented in a bill of particulars drawn up and approved by the North Central Association of Colleges and Secondary Schools, the accrediting agency responsible for approval of high school and college educational standards.

Only strong protestations prevented Morton from being ousted by the association. A year's probation, however, was voted with a provision for reinstatement if Morton cleaned up its mess within a year.

Urged by scores of true Morton friends, Hoffman agreed to be a candidate. The rest is history. During the next three terms, until he was elected to Congress as the 10th District's first Representative, Hoffman gave unsparingly of his time, his efforts, and his resourcefulness to make Morton the outstanding institution it is today—free of political domination, respected by educators everywhere, a leader in the educational field, and in sound financial condition.

What better tribute could there be for a man—and who would be more deserving—than for the Morton High School Board of Education to name the stadium for Richard W. Hoffman, whose ever-increasing majorities at the school election polls demonstrated the feelings of the people in the district for his efforts on their behalf.

Mr. MULTER. Mr. Speaker, I ask unanimous consent that my extension of remarks appearing in the RECORD of June 22, 1960, entitled "Declaration of Principles" may be expunged from the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

#### SUGAR QUOTAS

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. CHIPERFIELD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHIPERFIELD. Mr. Speaker on rollcall No. 170 I was unavoidably absent as I had accepted an invitation to attend a dinner for the President of the United States.

This bill, H.R. 12311, gives the President discretionary power to regulate sugar quotas. I had already expressed myself publicly on this issue several times. I discussed the matter when it came up in the Foreign Affairs Committee and stated at that time that in view of the present Cuban situation I felt this legislation should be passed.

#### ADDRESS BY UNDER SECRETARY OF THE TREASURY FRED C. SCRIBNER

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BARRY. Mr. Speaker, each Member of Congress has received a memorandum dated June 14 from a Democratic Congressman purporting to show that the Eisenhower administration had collected more taxes than other administrations. I respectfully suggest that the statistics were presented out of context, and I would like to call the attention of the Congress to that missing context which puts these figures in a rather different light.

It is not the Republicans but the Democrats who have taxed the American citizen most heavily. In 1946, President Truman's first full year of office, taxes took 24 percent of the national income. In the last full year of his administration, 1952, he was taking just as much, 24 cents out of every dollar we earned.

In the last full year of President Eisenhower's administration, 1960, the Federal budget will take only 19 percent of the U.S. national income or a substantial one-fourth reduction in the Federal tax bite.

Furthermore when Mr. Eisenhower took office he immediately had the Treasury undertake the long overdue overhaul of Federal tax legislation which was embodied in the Internal Revenue Code of 1954, and resulted in a tax reduction of \$7.4 billion, unparalleled in any other single year in the country's history.

President Eisenhower's administration has accomplished this feat in spite of reckless Democrat spending legislation, which every year seeks more and more money. The President's budget for fiscal 1961 called for a surplus of \$4.2 billion. The Democratic controlled Congress has attempted by action or inaction to change this multibillion-dollar surplus into a deficit for the year and would add \$17½ billion over the next 5 years. While increasing the spending the Democrat Congress has refused the President's request for much needed postal rate increases, air and highway fuel taxes which together would amount to an estimated \$6¼ billion in the next 5 years.

The sound Eisenhower budget seems to be forgotten. It should not be. I believe the Democrats forget that they are shattering the hopes of millions of taxpayers for another tax reduction and further needed tax reform.

In a splendid address to the New York chapter of the Tax Executives Institute, Under Secretary of the Treasury Fred Scribner outlined the truly impressive record of the Republican administration in the tax field. He states clearly that the purpose of his administration's tax policy is overall tax reduction. He warns that we must maintain integrity in going about it by resisting special-interest tax loopholes. In speaking of a general tax reduction, he says:

There is no mystery as to how such a step can be achieved. In the first place, we must be operating under a balanced budget. In the second place, we will need a sufficient surplus to make a reduction on our outstanding debt and to project further debt reductions in future years. Finally, we will need a sufficient additional surplus to allow us to propose an overall tax cut. Such a



proposal would require sufficient surpluses for several of the years as we look down the road. To bring ourselves into this situation, we need, of course, economy at the Federal level. We need support from all sections of our country, from all taxpayers for an incentive that rigid economy be practiced within the Federal Government. It can be done.

I believe the Congress should have the benefit of this address, and include a summary at this point in the RECORD:

EXCERPTS FROM REMARKS BY FRED C. SCRIBNER, JR., UNDER SECRETARY OF THE TREASURY, AT THE ANNUAL MAY DINNER OF THE NEW YORK CHAPTER OF THE TAX EXECUTIVES INSTITUTE, NEW YORK CITY, MAY 12, 1960

Since 1953 we have seen far-reaching changes in the Federal tax system. The Internal Revenue Code of 1954 constituted the first complete overhaul of Federal tax legislation in many years. There were also other important tax changes in 1954. That year's tax reductions were of a size unparalleled in any other single year in the country's history. Annual reductions totaled \$7.4 billion.

The structural changes made by the 1954 Code accounted for \$1.4 billion, elimination of the excess profits tax \$2 billion, reductions in excise taxes \$1 billion, reduction in individual income tax rates \$3 billion. In addition to the cut of \$3 billion in individual taxes flowing from rate reductions, individuals shared in the savings from the excise tax reductions and in the benefits provided by the structural changes in the system. Of the total of \$7.4 billion of annual tax savings, approximately \$4.6 billion went to individuals and \$2.8 billion to corporations.

#### ECONOMIC OUTLOOK

The significant tax relief which has been provided during the past 7½-year period tends to be obscured by the overall increase in Federal net budget receipts, which have increased from \$64.8 billion in 1953 to more than \$78 billion for the current fiscal year and to an estimated \$84 billion for fiscal 1961. Revenue from growth in the economy has not only offset the large amount of tax reductions but provided nearly \$20 billion increase in budget receipts as well. Individual income tax collections, for example, will have risen from \$30 billion in 1953 to over \$40 billion for the current year and to an estimated \$44 billion in 1961 despite tax rate reductions and numerous other relief provisions.

We in the tax field and you in business are, of course, trying to gage today where the economy will go during the remainder of this calendar year and what the prospects are for 1961. The economic outlook for the 1960's is encouraging indeed. Our budget projection of the economy for this year reflected a favorable outlook. In January of this year the Secretary of the Treasury said that a gross national product of \$510 billion could be reasonably projected for the year 1960 compared with a \$480 billion total for the calendar year 1959. The projection, given at that time for personal income for the calendar year was \$402 billion compared with \$380 billion in 1959. Our projection of corporate profits of \$51 billion for 1960 compared with a \$48 billion figure for 1959.

When these income assumptions for budget purposes were established we were well aware that the projected levels were somewhat less than those being forecast by some business commentators. We believed, however, that some of these forecasts were overly exuberant and could not be realized unless inflated by rising prices. In recent weeks some people have been concerned about mixed economic indicators. To a considerable extent their concern seems to reflect a prudent tempering of their earlier views. Also recent figures on final consumer

demand and employment suggest that some phases of economic activity were affected temporarily, and to an unusual degree, by severe weather in February and March.

If both Government and private citizens act responsibly, we are confident that final results will approximate the income assumptions underlying the budget and that substantial gains in economic activity, incomes and profits will be realized. Personal income has continued to rise each month to record levels and corporate profits have remained high. Total employment surged upward by 1.9 million between mid-March and mid-April, the biggest April increase by far in the postwar period. In April retail sales rose to record levels, 3 percent above March and 5 percent above last April.

Yesterday the President announced that in the first quarter of this year the gross national product reached \$500.2 billion and thus passed the half-trillion-dollar mark for the first time in our history. This figure represents a dramatic increase of \$20 billion over the previous quarter. The President noted: "The achievement of these high levels of employment and production at the same time that prices had been reasonably stable \* \* \* is proof of the great strength of the free-enterprise system and the promise of the future."

The Government's fiscal outlook is also good. We are working vigorously for a balance for the current fiscal year and confidently expect a substantial surplus for fiscal 1961.

These developments in both the private and Government sectors evidence excellent prospects in the 1960's for a good and sustainable rate of economic growth without inflation.

#### TAX REVISION UNDER THE 1954 CODE

Returning to structural changes, let me remind you that the revision of the 1954 Code made tax burdens easier and fairer for millions of individual taxpayers and reduced tax barriers to long-term economic growth.

A few of the many relief provisions for individuals were the following:

(1) Larger deductions for medical expenses by allowing expenses in excess of 3 percent of adjusted gross income instead of 5 percent and by doubling the maximum dollar limits.

(2) A new deduction for child care expenses of working women and widowers.

(3) Taxpayers no longer lose the dependency exemption when a child's earnings exceed \$600.

(4) Elimination of the requirement that a taxpayer's dependent parent live in the taxpayer's home.

(5) A retirement income credit which helped to equalize the tax treatment of retirement income.

(6) Partial relief from double taxation of dividends through the dividends-received credit and exclusion.

(7) Larger deductions for charitable contributions; the limit allowed was increased from 20 to 30 percent of income where the extra 10 percent is contributed to educational institutions, hospitals, or churches.

(8) More liberal tax treatment of employee benefits.

A number of provisions in the new code were designed to reduce tax deterrents to the expansion of investment. One of the most constructive steps was a new and more realistic treatment of depreciation to which I will refer later.

Other steps which contribute to the growth and increasing efficiency of American business include: allowing taxpayers the option to deduct research and experimental expenditures or to capitalize them and write them off over a period of not less than 5 years; extending the period of carryback of losses, thus providing, in combination with the 5-year carryforward, a total span of 8 years for absorbing a loss; and permitting certain

partnerships and proprietorships to be taxed as corporations.

Substantial relief for small business was provided by the Small Business Tax Revision Act of 1958 (which was incorporated in the Technical Amendments Act of 1958), including: more liberal loss deductions in certain cases involving small business corporations, further extension of the net operating loss carryback, more liberal depreciation allowances, more time to pay estate taxes attributable to investment in closely held business enterprises, and an increase in the amount of earnings that a small business may accumulate without being subject to the tax on improper accumulation of surplus. In addition a new subchapter S of the code was enacted as part of the Technical Amendments Act of 1958. It permits certain small business corporations with not more than 10 shareholders to forego payment of the corporate income tax where shareholders elect to be taxed directly on the corporation's earnings. This provision was designed to aid small businesses by permitting them to select the form of legal organization which best suited their needs without the necessity of taking into account major differences in tax consequences. It benefits a small corporate business in various ways, including the removal of the double tax on corporate earnings going to shareholders.

#### CURRENT TAX PROBLEMS

You may be interested in a brief report concerning certain current tax problems now before the Congress.

As you know, the President has urged an amendment to the Internal Revenue Code which would treat the gain on the sale of depreciable personal property as ordinary income, to the extent of the depreciation deduction previously taken on the property. The present rules permit net gain from the sale of depreciable personal property to be considered as a capital gain, while net losses are deductible as ordinary losses.

This proposed amendment was submitted because of the many difficulties which business and the Internal Revenue Service have encountered in determining the proper amount of salvage value which should be given to various items of depreciable property and the even more difficult question of determining the useful life of a particular item of machinery or equipment.

At this point I believe a general review of recent developments in the field of depreciation might be helpful. As I mentioned earlier, substantial progress was made in the depreciation reform introduced under the Internal Revenue Code of 1954. The double-declining balance and the sum-of-the-years digits methods provided by the 1954 legislation concentrated deductions in the early years of service life and resulted in a timing of allowances more in accord with the actual pattern of loss of economic usefulness. As compared with the older, more rigid straight-line approach, the new liberalized methods permit a tax-free recovery of about one-half the cost of an asset during one-third of the service life and about two-thirds of the cost over the first half of the life. These more liberal depreciation methods have made a significant contribution in encouraging modernization and expansion of the productive capacity, with resulting increases in efficiency and the strength of the economy.

In the field of administrative policies, the Treasury has continued its efforts toward a realistic application of the statute. Since the issuance of Revenue Rulings 90 and 91 in 1953, it has been the policy of the Internal Revenue Service not to disturb depreciation deductions unless there is a clear and convincing basis for change. In Revenue Ruling 91, revenue agents were instructed in determining depreciation rates to consider carefully evidence presented by taxpayers with respect to obsolescence.

As you know, in its attempt to recognize fully industry experience and to minimize areas of conflict, the Service has determined that a reissuance of a revised Bulletin "F" without the securing of further material from the field would not be advantageous. A pretest survey was conducted last year. This survey showed that the great bulk of all new property installations installed by taxpayers since 1954 are being depreciated under new liberalized methods. Comparison of the service life and depreciation rates used by the large companies with Bulletin "F" disclosed some service lives longer and a number of others substantially shorter than Bulletin "F" standards. It was then determined to undertake a survey to obtain additional general statistical information on current practices and present opinions on depreciation. This survey is being conducted in cooperation with Small Business Administration to insure coverage of both large and small firms. A number of business and professional organizations were consulted on the planning and developing of the survey. The great majority of these organizations indicated their support for such a study.

We will not be in a position in the Treasury to make recommendations concerning basic changes in depreciation allowances until this survey is completed and the results carefully analyzed. This is many months away.

During the interim, it was our belief that we should attempt to make it possible for our agents to accept more readily business judgments as to the usable life of depreciable property. The big stumbling block has been, as I have pointed out, that it is now possible to depreciate an item of equipment or machinery taking the amount of depreciation as ordinary loss, thereafter disposition of the property for more than its depreciated value and to take the resulting gain as a capital gain. This effectively shifts income from a 52 percent bracket to a 25 percent bracket.

The recommended legislation would be an important step in the direction of both fairness and simplification. It would eliminate friction between the Service and taxpayers in areas where reasonable men may differ and where the resolution of differences would be possible except for the extraneous factor of capital gain treatment.

We have not received support of business and industry on this recommendation. The matter is now on the table at the Ways and Means Committee and there is no evidence that action is to be taken this year. This, I believe, is unfortunate, as the steps here proposed would have been helpful to business. As a result of nonaction we have lost a chance to do something which would have been constructive in the depreciation field.

#### H.R. 5 AND RELATED MATTERS

With respect to the taxation of income from foreign investments, the Boggs bill (H.R. 5) is still making its way through the Congress. The most recent development has been the announcement by the chairman of the Ways and Means Committee that the committee has amended the bill to accord with the position of the administration that any preferential treatment to promote investment abroad should be confined to investment in underdeveloped countries. As it now stands the bill provides that a U.S. corporation may qualify as a foreign business corporation if, in addition to meeting other requirements, it derives 90 percent or more of its gross income from sources within less-developed countries. The determination of what is a less-developed country is not a simple matter and under the bill it is left to the President to decide. However, the bill does enumerate a number of countries, in addition to the Sino-Soviet bloc, which cannot fall within such a designation.

The committee made two other amendments to the bill. One was to eliminate the so-called gross-up provision in connection with the foreign tax credit of a foreign business corporation. Since the modification of the existing tax credit provisions to require a gross-up for other corporations is the subject of separate bills pending before the committee, it decided to consider the gross-up requirement for foreign business corporations in connection with such other bills. Under H.R. 5 as it now stands, therefore, a foreign business corporation would obtain a foreign tax credit under the same conditions that apply to other types of corporations. The other change in H.R. 5 adopted by the committee would disqualify a corporation from its foreign business corporation status for any year in which it, or one of its subsidiaries, operated in a less-developed country with labor conditions below those prevailing in that country. The determination of whether a company has so operated would be made by the Department of Labor, subject to review by the courts.

The introduction of labor standards into a tax bill is a departure from past practice, and seems to pose potentially serious administrative problems. Similar problems may be expected of the requirement in the bill that a foreign business corporation may not derive more than 10 percent of its income from the sale of goods which are for ultimate use, consumption or disposition in the United States. The tracing of goods sold abroad to their ultimate destination is hardly a simple matter and the language in the bill may be expected to produce considerable litigation. Despite these difficulties, the Treasury has announced its support of the Boggs bill as amended.

To add to this roundup I would mention that the Senate Finance Committee has agreed to report out, with some amendments, the House-passed bill that would add the overall limitation to the foreign tax credit as an alternative to the present per-country limitation.

The interest that has been manifested in H.R. 5 and in other tax matters relating to international transactions has had its repercussions on the structure of the Internal Revenue Service. As many of you know, an International Operations Division was created in the National Office of the Service several years ago. This Division was assigned tax collection and enforcement responsibilities affecting domestic taxpayers with foreign investments and foreign taxpayers with income from domestic sources. The Division has recently stepped up its activities and, as its experience in this field increases and develops, it is bound to make an important contribution to the maintenance of an effective tax collection agency.

#### PROSPECTS FOR TAX REDUCTION

I am sure I will find no disagreement in this audience with the proposition that overall tax reduction should be the purpose of present tax policy within the Federal Government. We do need a broad base tax cut which would benefit all taxpayers. We must recognize, however, that broad tax cuts will involve substantial amounts of revenue.

There is no mystery as to how such a step can be achieved. In the first place, we must be operating under a balanced budget. In the second place, we will need a sufficient surplus to make a reduction on our outstanding debt and to project further debt reductions in future years. Finally, we will need a sufficient additional surplus to allow us to propose an overall tax cut. Such a proposal would require sufficient surpluses for several of the years as we look down the road. To bring ourselves into this situation we need, of course, economy at the Federal level. We need support from all sections of our country, from all taxpayers for an in-

centive that rigid economy be practiced within the Federal Government. It can be done.

I take pride in reporting that on January 1 of this year we had 13,000 fewer civilian employees in the Treasury Department than on January 1, 1953. This reduction has been accomplished in spite of substantial increases in most of the workloads which our Treasury bureaus carry.

We must have adequate finances on the Federal level to provide for our defenses and to carry out all programs which can best be undertaken by a central government. Beyond this, economy should be the watchword.

We will need something else however if we are to reach the point soon where a broad base tax cut is practical. We must resist the many small tax cuts proposed for some special segment of the American economy or for some particular group of taxpayers—individual or corporate.

Piecemeal reduction of excises which has occurred since 1954, for example, has resulted in the loss of more than three-quarters of a billion dollars.

The admissions tax which yielded \$313 million in 1953 and \$106 million in 1955 (after the 1954 rate and exemption changes) is now yielding only \$35 million as a result of subsequent changes. The repeal of the tax on transportation of property and oil by pipeline in 1958 reduced revenues about \$500 million annually. The reduction in the cabaret tax, effective this month, will cut its yield by about \$20 million a year. Important relief for farmers resulted from the provision in 1956 for refund of tax on gasoline used on the farm. In 1959 these refunds totaled almost \$80 million. These reductions mean that we are more than three-quarters of a billion dollars further away from the time when a general tax cut may be proposed.

If the scheduled reductions in the excise tax rates on transportation of persons and the scheduled repeal of the tax on local telephone service which were enacted by the last session of the Congress were allowed to stand, annual revenues would be reduced by approximately \$600 million. We hope and expect, however, that the Congress will postpone these reductions, in accordance with the President's recommendation.

In the income tax area, as well, there are pressures for chipping away at the tax base by providing a little relief here and a little relief there to particular groups, individual or corporate, rather than providing overall tax reduction. Hundreds of bills now pending in the Congress propose exclusions, deductions, and exemptions for the benefit of restricted groups.

We in the Treasury believe that except in the most unusual cases involving gross inequities, we can best work for a comprehensive tax reduction by vigorously opposing special legislation which will give tax relief to only a few or only in limited situations. This is not an easy posture to be in. It can only be effective if we do have support of the taxpayers of the Nation. We do need an understanding that we can best improve our tax system by resisting for a time relatively small piecemeal cuts and bringing our fiscal picture into such shape that a tax cut program which will give relief to individuals and provide tax incentives to business can be supported and brought into existence.

Neither in the Congress nor at the Treasury should we for a moment take our eyes from this ultimate goal. I do believe that some of our taxpayers, particularly in the corporate field, have concluded that general tax reduction is probably too far away and that emphasis should now be placed on special limited legislation. I, personally, think this approach is wrong. I am convinced that we can and will have a general tax cut if we can secure an understanding by the majority of our taxpayers and voters



that such a tax cut will come only after we have determined to practice sound economy in operation and to resist special legislation which, by reducing the tax take, can only postpone the day of final accomplishment when a general tax cut becomes effective.

Fiscal responsibility may not be glamorous, but it is the keystone to prosperity and a sound economy. Reckless Democratic innuendo such as that mentioned at the opening of my remarks, implying excessive Republican taxation, is in the same category as the "big lie" technique—if you make a lie big enough and repeat it often enough it may be believed. Whereas the tax burden in the last 7 years has actually been lightened, by quoting statistics out of proper context, some Democrats would try to delude the public into believing just the opposite. Where the President cries for fiscal responsibility, they would buy the people's votes with the people's own money and then charge waste.

The story of this administration's struggle and, yes, considerable success, should be told and told again.

In spite of continuous harassment, the President with the support of the Republicans and a few thinking Democrats in Congress, has brought about fiscal integrity, a balanced budget and substantial tax cuts. It is a great achievement. And when the facts are known through the length and breadth of this land, those who spread falsehood about the President's achievement will be treated with the contempt they deserve.

**Mr. BROOMFIELD.** Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. OSMERS] may extend his remarks at this point in the RECORD.

**The SPEAKER.** Is there objection to the request of the gentleman from Michigan?

There was no objection.

**Mr. OSMERS.** Mr. Speaker, H.R. 9996 has as its purpose a change in the procedures which permit foreign excess properties which are disposed of overseas to enter the United States for sale. Mr. Chairman, I am opposed to H.R. 9996 primarily for the reason that no Member here today has been able to prove that there exists any real need for this legislation. Several statements have been made with respect to the viewpoints of affected industries. In order to clarify the position of two industries, I would like to place in the RECORD at this point a paragraph from a letter dated June 22, 1960, received by me from Joseph T. King, Esq., Washington counsel for the Associated Equipment Distributors. Mr. King's letter states:

Industries, including ours, object to the bill because the language "undue loss of production or employment" is so vague that the Secretary of Commerce could not make a determination of the impact of any given quantity of goods brought back into the United States until after the damage was done. For an industry to prove or for the Secretary of Commerce to determine that the importation of 10, 100, or 1,000 units would result in an "undue loss of production or employment" in the particular industry is an impossibility. Assuming all other economic factors to be constant, such a fact

could only be determined after production or employment has been affected.

And now, Mr. Speaker, I would like to place in the RECORD a paragraph from another letter, dated June 17, 1960, received by me from Henry Lavin, chairman of the legislative committee of the Electronic Representatives Association. Mr. Lavin says:

We cannot help but feel that H.R. 9996, in any form, will needlessly compound the difficulties already caused by domestically generated surplus, to say nothing of the impact of goods made by Japanese and other foreign manufacturers. Beyond this, we are compelled to doubt the ability of the Department of Commerce to determine in advance, whether or not a given shipment of surplus merchandise will cause undue loss of production and/or employment, even in a specific industry. Certainly economic damage can be measured once it occurs, but an advance determination of such harm seems to us to be a difficult task at best.

Mr. Speaker, this bill is simply not in the best interest of American industry and labor and should not be adopted.

#### GENERAL LEAVE TO EXTEND REMARKS

**Mr. WOLF.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Teddy Roosevelt Memorial bill.

**The SPEAKER pro tempore.** Is there objection to the request of the gentleman from Iowa?

There was no objection.

#### INTERSTATE ROAD PROGRAM EN- DANGERED—OPPONENTS WAGE PROPAGANDA WAR TO DIS- CREDIT IT

**Mr. SCHERER.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

**The SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

**Mr. SCHERER.** Mr. Speaker, the highway program has been under attack from many quarters in the past few months.

Since writers, newspapers, and magazines generally feel that stories of waste, inefficiency, and corruption make better copy than do success and accomplishments, we have had from all over the country a series of intemperate articles dealing with mistakes and shortcomings of the highway program. Little if anything has been said about its fine and tremendous accomplishments in the face of many almost insurmountable roadblocks.

As a result, many people, including Members of Congress, are getting the impression that this entire, vitally needed road program is riddled with inefficiency and fraud.

As I have said many times, when you have a program of this magnitude, the biggest public works project in the history of the world, one that is 35 times as big as the St. Lawrence Seaway, the Panama Canal, and the Grand Coulee Dam combined—a program involving the

expenditure of billions of dollars and millions of people both in and out of government at all levels—you are bound to attract the chiselers and the grafters.

If this highway program is to survive and public confidence in it be maintained, we must keep its shortcomings in proper perspective with the magnitude of the undertaking and its thousands of fine accomplishments.

Mr. Speaker, I am pleased to report that the Cincinnati Enquirer and its outstanding publisher, Mr. Roger Ferger, and Mr. Phillip Swatek, its capable, informed, and discerning Washington correspondent, have rendered a great public service by devoting a full page of the July 3 edition to the fairest and most objective analysis of the current highway problems and controversies.

Every Member of the Congress and all those interested in the continuance and successful completion of this vitally needed program should read and study this article and have the benefit of Mr. Swatek's presentation of the various issues:

#### INTERSTATE ROAD PROGRAM ENDANGERED— OPPONENTS WAGE PROPAGANDA WAR TO DIS- CREDIT IT

(By Philip M. Swatek)

WASHINGTON, July 2.—A swelling propaganda barrage of distortions, half-truths, and plainly dishonest generalizations is threatening to sink the biggest and most important public works project ever attempted in this or any other country—the Interstate Highway System.

The interstate project, launched with great hope in 1956, is intended to link the Nation's cities with a 41,000-mile network of fast, safe superhighways. It will also breathe new life into traffic-choked urban areas, where two-thirds of our population live.

Now critics are proclaiming it "our great big highway bungle," a "nightmare," a "rat-hole" of waste, and extravagance, and a scandal of such potential that Teapot Dome will be peanuts by comparison. More responsible and restrained critics intone that the program is "in trouble."

The interstate project is in trouble. But it is the relentless effort to discredit the program that has it tottering. Some of the criticism is justified, but fair criticism often is not weighed against accomplishment and progress, and a distorted picture emerges.

Actually, the program, measured in any objective way, is going extraordinarily well, but this side of the story is lost in the storm of abuse.

"No charge has been too thin or too ridiculous to exploit," Bertram Tallamy, Administrator, Bureau of Public Roads, said, "Old reports were exhumed and mined for whatever negative comments they might yield."

#### MANY HAVE AX TO GRIND

"Historic opponents of the highway program welcomed new members, recruited from the disgruntled, the misinformed, and those having some personal ax to grind. A good many of them are vicious and their motivation must certainly raise questions in the minds of neutral observers," Tallamy said.

Forces behind this campaign spring from both industrial and political life, boosted along by some doubtful judgment in the newspaper and magazine business. Those fighting to save the program—on Capitol Hill and within the administration—have searched evidence of a conspiracy in view of the remarkable cohesiveness and cumulative effectiveness of the propaganda, but none has turned up.

"It may not be a conspiracy, but as far as the Interstate System is concerned, it's ac-

demic," Representative GORDON H. SCHERER, Republican, of Cincinnati, says. "If this keeps up, they're going to kill it."

SCHERER, ranking Republican of the House Subcommittee on Roads, a part of the Public Works Committee, is one of the most conservative and tightfisted Members of Congress. So his concern over the program's fate is not the routine response of a big spender. He is anything but that and still is convinced the Nation cannot afford to lose the \$40 billion interstate program.

#### MONEY IS ONE OF ISSUES

While SCHERER is a Republican, the political forces at work are not necessarily organized along party lines. Representative GEORGE FALLON, Democrat, of Maryland, ranking Democrat on the Roads Subcommittee, shares this concern. Nor for that matter, is everyone within the Eisenhower administration as determined to keep this program going in its original and bold concept as the two Congressmen.

An explanation of why the interstate program, which promises so much to a nation on wheels, should be the target of abuse must start with money—in this case, the taxes which finance the program. But there are some other issues involved, as well. The winds of controversy were blowing even before the program was implemented by law in 1956, although they didn't reach gale force until last year when the financing bogged down.

Basis for most of the early squabbling was the "needs" formula for apportionment of Federal funds, which replaced the old formula favoring rural States and the political seniority system in Congress. The Interstate System was to be built to answer the needs of the Nation and demands of automotive traffic.

This meant getting people in, out, or through cities, where highway construction is very expensive, as well as between cities, where right-of-way costs are lower. As the Federal Government was going to provide 90 percent of the cost of this Interstate construction, the "needs" concept of distributing the money did not arouse much enthusiasm among legislators from sparsely populated areas.

#### ARGUMENT OVER URBAN AID

There are still many who object to the fact that 42 percent of the Federal moneys will go toward building only 11 percent of the Interstate mileage which happens to be in congested urban areas. They are not moved by arguments that nearly everybody driving on the highways is heading for some city or town and a system which just dumps them on the outskirts isn't going to be much help.

Nor are they swayed by arguments that, on the basis of traffic volume and mileage, urban projects are more economically justified than rural miles, and that nearly half of the pay-as-you-go money financing the program comes from automobile use on urban expressways, the volume more than making up for the shorter distances.

There also were objections to the pay-as-you-go financing concept of the program, largely from the manufacturers of automotive supplies—tires and other equipment—and the petroleum industry. New taxes were added to their products to go into the highway trust fund, from which Federal aid was to be disbursed to the States on a cash-in-hand basis.

But it wasn't until last year, when the trust fund nearly ran dry and the administration asked for another 1½-cent Federal tax on gasoline to keep the program going, that the propaganda storm broke.

"Immediately some began to look for a scapegoat and whipping boy," SCHERER said. "Some of the people who were responsible at least in part for the financial dilemma yelled the loudest."

#### ADDED TAX FINALLY VOTED

During the struggle to keep this program solvent and moving ahead by means of an additional tax, most of the charges dwelt on overdesign, waste, and extravagance. This apparently was meant to make it politically hazardous for lawmakers to add a further burden on highway users, since it was claimed the money was going down a rathole. However, an additional 1-cent tax finally was passed, after a prolonged struggle.

During the fight the interstate champions did explain—at least to the satisfaction of a majority in Congress—why the original cost estimates were low and why a program barely under way needed additional financing. Congressman SCHERER, who led the battle on Capitol Hill, gave these five reasons:

The trust fund absorbed about \$1.5 billion owing from older highway programs. That was never contemplated when the financing provisions were set up.

Because of the recession in 1958, Congress accelerated the program by \$1.6 billion, without facing up to the problem of providing increased revenue.

An additional 1,000 miles was tacked on the original 40,000-mile network—on which the financing was used—to placate legislators who felt their areas were being discriminated against. Again, no additional revenue was considered.

In a number of localities the estimated requirements or standards had to be raised almost immediately because of the increasing number of motor vehicles. Just like the Nation's population, the number of automobiles is growing far beyond what anybody expected just a few years ago, and the Interstate System is being built for traffic in 1975. At that time the Nation will have 110 million motor vehicles, compared to about 70½ million today.

#### ESTIMATES ONLY A FIRST BASIS

The original estimates were made rather hurriedly by all the States' highway departments in 1954 and there were some miscalculations. More importantly there was a lack of understanding of what building highways to Interstate standards means, even in the cost of small things, such as signs and lighting.

In any case, the estimates were only used as a basis for figuring out the financing system, and a miscalculated estimate does not mean the erring State will be stuck with a low figure or rewarded with a high one. Each mile of road has to be approved by the Federal Bureau of Roads before any reimbursement is made, and this includes the cost.

In addition to that, inflation was a problem. Cost of construction and of right-of-way increased about 12 percent in the period 1954-57—the interval between the two estimates.

Despite logical explanations of what happened to the program in financing, one of the most frequent indictments during this period was that the Interstate Highways were extravagantly overdesigned.

This indictment covered the number and width of lanes, the number of interchanges, the sharpness of curves and grades, and frills, all of which were part of the expensive extravagance.

This indictment usually was accompanied by one or two explanations. The first was that the States were indifferent to expense as long as the Federal Government was going to reimburse them 90 percent of the cost.

#### IMPORTANT FACT IGNORED

In fact, the more it cost the better; it was worth every dollar to bring \$9 in from outside the State. This, of course, ignored the fact that every project must be approved by the Federal Bureau—including its cost—before the State became eligible for reimbursement.

"It also ignores the fact that maintenance of the new highways is entirely a State function and, as a rule of thumb, the more elaborate a highway, the more expensive is the maintenance bill," SCHERER added.

The other explanation was that private consulting engineers, which virtually every State employs to augment its highway department staff while the program is getting under way, and for highly specialized work, are paid on the basis of a percentage of the cost of the projects which they design, so they deliberately made them expensive.

The real answer to these charges was not—and still is not—heard very clearly. In the Highway Act it is clearly stated that the Interstate System shall be built to meet the requirements of traffic in 1957. This was to be the first real attempt to look ahead in highway construction, rather than just catch up, as tradition had it.

Some people, perhaps honestly, just could not visualize American automobile traffic in 1975, even though there have been some pretty good hints. The New Jersey Turnpike, for example, was up to the estimated 1980 traffic level a few years after it opened in 1952.

"We need to build permanence into the new superhighways to protect the multi-billion-dollar investment being made in the Interstate System," warns Charles Noble, chief engineer on the New Jersey superroad and until recently head of Ohio's Highway Department.

#### STORIES TOLD AND RETOLD

"Probably our most crucial failure in highway construction has been in underestimating traffic," he said. "We have failed to recognize the potential of the automobile and the urgent need for sufficient highway capacity."

But these overdesign and financial issues never really caught the fancy of the more flamboyant critics, and it has been only recently, with the discovery of some scandal, corruption, and boondoggling that the campaign against the Interstate has really heated up.

Some of these cases, which were real failures in the program, are being retold with such regularity that they may eventually become as familiar as "The Little Red Hen."

First among these is the Indiana case, in which members of the highway department improperly used their knowledge of future highway locations to make a profit on land acquisition.

In this scandal, indictments were returned by an Indiana grand jury, and of the \$78,802.80 involved in the worst instance, all but \$786.51 has been returned to the State.

The other popular favorite is the Skelly bypass case at Tulsa, Okla. Actually, this scandal, involving an estimated \$524,000 worth of materials which were never put in the road, was discovered and prosecuted in Tulsa some time before it became part of the big drive against the Interstate.

A new scandal, developing in Massachusetts, involves appraisal of property for rights-of-way.

After these clear-cut cases of wrongdoing, charges against the Interstate program get a little fuzzy. There are the Nevada situations, for example. One involves three interchanges along an isolated section of the road, the other involves the Interstate route at Reno.

#### FOUND LESS EXPENSIVE

In the case of the interchanges, the Interstate route in question runs parallel to an old highway and a railroad in the Truckee River Valley. Some access to the new Interstate Highway in the area was necessary, and it was found that because of the cramped and rough valley floor it was cheaper to build three interchanges than build a feeder road which would bring the traffic to a single interchange. At that, total cost of these three interchanges is \$221,000.



In the Reno case, the issue is whether the Interstate route should go through the downtown area, or along a northern bypass. Because Representative WALTER S. BARING, Democrat of Nevada, wrote to the President declaring the selection of the downtown route would be "the biggest swindle ever perpetrated in the State of Nevada," a special House Government Operations Subcommittee was appointed to investigate the problem.

The subcommittee decided, along with the Bureau and the State highway department, that while the downtown route would be more expensive initially, it was the only one which answered the need. This decision was based partly on the fact that most traffic in the region is bound for the center of Reno, a major tourist attraction. In this Reno presents a different problem from other cities of that size.

While Reno is a special situation, the argument for running the Interstate System around cities, rather than through them, is heard again and again. Examples are cited in Omaha, Macon, Ga., and Wilmington, Del., among others, and it is always the same—building the system into the city is a terrible waste, because bypass routes are so much cheaper.

#### DON'T ERASE CONGESTION

"But the point is that these bypass routes do not eliminate the traffic congestion, which is the objective of the program," SCHERER said.

"And charges that cutting these rights-of-way through the heart of industrial areas result in tax loss for the community are without foundation.

"The evidence is conclusive that these superhighways so increase property values in the entire area that actually considerably more dollars go into the tax coffers."

Another popular approach in the sabotage of the Interstate System involves the height of bridges. In this, the recurring waste theme is livened up with charges of bureaucratic boondoggling so blatant, in view of one magazine writer, that a single telephone call between the Pentagon and the Bureau of Public Roads could have prevented construction of 2,000 undersized bridges and underpasses. There also is the suggestion that this bureaucratic failure is damaging to our national defense.

As a matter of fact, this problem was handled honestly but not particularly adroitly by either the Bureau or the Department of Defense. But the trouble was that nobody knew the size and shape of weapons to come—weapons, such as missiles, which might be moved on the Interstate System—and they still don't know. Charges that the two organizations just weren't in touch on the problem are preposterous.

#### DECIDED ON 14-FOOT CLEARANCE

The military and the Bureau have been jockeying back and forth on the matter of bridge and overpass heights since 1922, almost from the beginning of the Federal-aid program. There was regular liaison on the matter from 1949 through 1956, when a minimum of 14 feet was decided upon. As late as October 1, 1957, the Army, Navy and Air Force all said the 14-foot clearance was adequate for anticipated equipment.

With the coming of the space age and its oversized vehicles, another look soon was in order and the Bureau determined on January 27, 1960, that the minimum height was to be 16 feet, rather than 14. Critics claim this tardy decision will cost the taxpayers \$730 million, but the Bureau can't see where that figure comes from.

On the basis of official Bureau figures, if all the bridges authorized from the start of the interstate program until January 27, 1960, were reconstructed or reengineered, it would cost about \$176 million. But the total is not expected to come to that because alternate routes around many of the over-

passes will eliminate the need to change the height.

When the military was put under fire about this waste, Perkins McGuire, Assistant Secretary of Defense, wrote that when the decision was made in 1957 to accept 14 feet, "it was clearly understood by the military departments, the States, and the Bureau of Public Roads that some of the military items of equipment exceed 14 feet when loaded on available highway vehicles.

"But no one believed there was sufficient justification to request changing the vertical clearance standard and increasing further the cost of the Interstate System," McGuire said.

#### MOSTLY ABOUT ATLAS TRANSIT

Actually, most of this controversy involves the Atlas intercontinental ballistic missile, which is made in San Diego, Calif., but has been fired mostly from Cape Canaveral, Fla. Moving the big missile across the country by highway does create a number of clearance problems, and there is no question about that.

When the trucker who has this moving contract appeared before the special House subcommittee investigating the program, he testified that it took 9 days and cost \$12,000 for him to deliver one Atlas missile to Canaveral.

But when the subcommittee got Lt. Gen. Ben Schriever, of the USAF Research and Development Command, to testify on this problem, he said the size of military missiles will be getting smaller than the Atlas from now on, as rocketry advances, and future space exploration vehicles will be far too big to move overland at all.

He agreed with the general proposition that it is possible to move a bigger load under a higher bridge, but he could offer no definite figure as the minimum practical height of all bridges on the Interstate System. This has been the difficulty all along—guessing a practical minimum without knowing the shape of things to come—and there is no assurance that someone won't want to move 17-foot military loads across the country right after the 16-foot bridge level is established in concrete.

While the decision to go to 16 feet might have been made earlier, there is little justification in this case for the wild charges made against the entire program and the Bureau, any more than there was in the other cases.

#### ALL PART OF BROAD ATTACK

But they all seem to be part of the broad attack to discredit the program, to make the public suspicious because of the bungling, resentful of the taxes already imposed because of the waste, and, most important, unwilling to bear any further taxes on highway users or the products they buy.

The billboard business, railroads, or various individuals—such as the disgruntled or publicly minded politicians or clever writers—may have their own reasons for sniping at the program, but the big push springs from the taxation issue.

"Some of the groups and industries who want these highways and who will benefit perhaps more than anyone else contributed to the throttling of the program right at the height of the crisis," SCHERER said.

"The American Automobile Association, the trucking and oil industries have always contended that they contribute in user taxes more than their just share of the cost of the program. Further, AAA and the truckers have had a little private fight of their own, each accusing the other of coughing up disproportionate amounts," he said.

"These three beneficiaries made an all-out campaign against the additional tax when the President asked for the 1½-cent increase. The petroleum industry felt so strongly that it cut off its nose to spite its face by joining with those who for political and other reasons charged that the entire program was

permeated with waste, inefficiency, and fraud," the Congressman declared.

#### REMARKABLY FREE OF WASTE

Despite the outcry, the Interstate program is remarkably free of waste and irregularities, particularly in view of its historic size and the traditional, double-jointed Federal-State arrangement. Further, it is coming along well. Some 8,800 miles or one-fifth of the system now is open to traffic, roughly one-half of it new construction since the program started 4 years ago. The other half is toll roads and expressways already built, which are on designated interstate routes and are up to interstate standards, such as the New York Thruway and most of the Ohio Turnpike. These roads simply were incorporated into the system.

Authors of the 1956 act expected difficulties would arise in such an enormous undertaking and they ordered two comprehensive studies to be made at the time legislation was passed. These reports will be made to Congress next year. They should provide unbiased, solid information on every controversial question plaguing the program. Answers are expected on these issues:

What will be the ultimate cost of the Interstate System, now that State highway departments have had time, and the experience, to come up with careful estimates?

Are ordinary motorists paying too much or too little of the cost?

Are commercial users too much or too little?

Should the tax base be broadened to include more than users, such as owners of land adjoining the system who stand to benefit greatly?

Should the standards—number and width of lanes and number of access points, as examples—be increased or cut back?

Should the 90-10 reimbursement formula be changed?

#### ANSWERS TO COME IN 1961

Answers to these questions certainly should resolve most of the honest controversy battering the Interstate program. They should be available next year, though it may not be that every interest will agree with them.

What the defenders want to do is keep the program from being forced onto the rocks and fatally damaged in the public eye before knowledgeable and fair corrective action can be taken.

They do not claim there is no waste in the world's biggest public works program, nor that it is free of fraud.

"What seems only fair is that the failures of the program be measured against what success there has been, so the people of the Nation will have a basis to judge its progress and worth, as well as a basis for understanding what must be done to improve it," Tallamy said. "In view of the importance of the Interstate program to the Nation, it seems little enough to ask."

#### MINIMUM WAGE BILL

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, I rise for the purpose of highly commending and congratulating the gentleman from California [Mr. ROOSEVELT] for the fairness, reasonableness, and understanding he has demonstrated during the past months in order to get a carefully thought-out minimum wage bill before this body. In my many years of service in the House of Representatives I have truthfully never been as impressed as I

have been with the efforts and hard work of Mr. Roosevelt. He not only knew the subject at hand, but he also has shown a remarkable degree of patience and desire to be objective. He has also demonstrated the rare quality to listen to all arguments with seriousness and objectivity.

In rising to pay tribute to my colleague, I want to state I supported the committee bill. It was a moderate, well-thought-out proposal based on lengthy hearings and subsequent work by the Subcommittee on Labor Standards and the full Education and Labor Committee. Thus it had not been presented to this body in haste.

The committee bill was much better because I believe it would be patently unfair to ask newly covered workers to work unlimited hours without protection from overtime and give such protection, now in the law, to those presently covered.

Mr. Speaker, I also wish to stress the fact that, contrary to misleading statements by self-serving groups, the Roosevelt bill did not bring under its coverage the independent or small business enterprise.

Mr. Speaker, notwithstanding the fact that the Roosevelt proposal was voted down on a close vote yesterday, the gentleman from California made an excellent presentation and explanation of his bill.

#### THE LATE ALBERT E. REITZEL

Mr. BOSCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOSCH. Mr. Speaker, the United States has lost a great citizen. I refer to Albert E. Reitzel who served our Nation from 1923 until his retirement in 1955. Even after his retirement, he continued to serve; the committees of Congress had his valuable counsel and knew that he was always available for consultation in the field of immigration law and problems, a field in which he qualified as an expert in every sense of the word. The yeoman work he did in this field will always be a memorial to his life and career.

Mr. Reitzel in March of this year wrote an article for the Steuben News, official publication of the Steuben Society of America of which he was a member, which is one of the clearest explanations of immigration law, procedures, and problems that I have ever read. Our distinguished colleague from Pennsylvania [Mr. WALTER] saw fit to insert a goodly portion of the aforesaid analysis in the RECORD and thus preserved it for posterity.

To the family and friends of Albert E. Reitzel I extend my deepest sympathy in their bereavement.

#### THE LATE JOHN O'GRADY, U.S. CONSUL IN BRISBANE, AUSTRALIA

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to ex-

tend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have the honor to present herewith an editorial from the Greensboro Record of Greensboro, N.C., written by Mr. Bruce Jolly, the Washington correspondent for the Greensboro, N.C., Daily News. This excellently written editorial by Mr. Bruce Jolly relates to the recent death in an airplane accident of Mr. John O'Grady, the U.S. consul in Brisbane, Australia.

Mr. O'Grady was a native of my home city of Lowell, Mass. In Lowell, he received his early education and later he chose as a career the U.S. State Department. His work in the State Department and in representing the United States abroad was distinguished by the force and energy and determination he used in his effort to excellently present the United States to the people of the country to which he was accredited. I am proud Mr. O'Grady was a native of Lowell, Mass. In Lowell he had many friends and relatives, all of whom are shocked to learn of his untimely death.

Following is the very fine editorial by Mr. Bruce Jolly:

(By Bruce Jolly)

WASHINGTON.—To most people, the name John O'Grady meant nothing. With the exception of a privileged few, those who were his colleagues in the Department of State and those who knew him as a friend, his name in recent headlines announcing the crash of an Australian airliner that cost his life and all others aboard probably brought only a passing moment of regret.

But big, freckled John O'Grady, with his ready grin and agile mind, personified the best in U.S. representatives abroad who are completely devoted to their duties, and who sacrifice themselves in the ever-increasing battle of presenting the United States in its best light.

O'Grady was U.S. consul in Brisbane. He was a State Department career man who loved his job in part because he loved people.

#### MINUTE PREPARATIONS

Before he left for Australia, John O'Grady weighed every move that he might make so that, when he arrived, he would be in a position to show the Nation at its best.

When it came to purchasing an automobile for use in Australia, he rejected tempting buys of foreign cars at half the price he had to pay to purchase an especially made U.S. car with a right-hand drive—a requisite in that country.

He did so because he was convinced that it would reflect on the United States if he, as a U.S. representative, were to drive a foreign-made car.

For hours, John O'Grady listened to recordings of great American orchestras and to true folksongs. He wanted to take with him the best and most representative presentations of the country's truly great musical attainments, for he knew that in too many instances this Nation's cultural capacities are suspected.

He worked with his family so his children would be familiar with the area to which they were being sent, and not be caught short on their knowledge of Australian geography and the virtue of cricket.

He did these things because he had the background and experience that indicated the need for them. It was this same John O'Grady who, when in Greece, ardently

learned that country's folk dances, and performed them with the lumbering grace of a once star athlete from his native Lowell, Mass., to the delight and applause of his foreign friends.

#### DEATH IN A FOG

John O'Grady died in a plane that crashed into an Australian bay during a fog. The plane was only a short distance, as distance is measured airwise, from the field for which it was headed. There were 34 people on the plane. None survived.

O'Grady was the rule, rather than the exception. There are others by the scores who are doing the same kind of job, operating in midchelon positions, behind the headlines, going generally unsung.

To a certain extent, it is they who carry the brunt of the U.S. errors that are made by tourists and by the Nation's military representatives. It is they who must justify and attempt to explain the bitterness and the prejudice that all too frequently occur in a nation that stands as a symbol of friendliness and freedom to a large part of the world. It is they who must point out the diversities in Congress that freedom of selection brings, and guide those in foreign countries to judge by the whole product rather than the spoutings of the few.

Perhaps that is the real tragedy in the death of career men like John O'Grady. Today, he represents the kind of men the Nation needs. There are many of them, but there still aren't enough.

#### THE LOWELL, MASS., FIRE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I spoke on Monday of the tremendously spectacular fire that took place just two buildings from my office in Lowell, Mass. I spoke of the heroism of the chief of the fire department, Mr. Francis Kelleher, who directed the fire-fighting. In the beginning the fire was completely out of hand. It was a roaring, raging fire. It did not seem possible that anyone could survive. The picture which I have in my hand shows the fire when it was raging at its worst, but the firemen, with the help of other cooperating firemen from other towns in my district, got it under control and eventually put it out. They performed herculean service.

I spoke of certain persons the other day who showed great heroism and great executive ability. I would like to speak again of the head of the fire department at Lowell, who directed all the fire-fighting activities, and of the firefighters from other towns in my district and from the U.S. Air Force firefighters from Bedford in my district who volunteered their services. I would like to speak also of the action by the police department in Lowell that worked tirelessly, getting people out of the way who had been overcome by the fire, by the fumes, by the smoke. And I would like to tell the people here that nobody was seriously injured and nobody was killed. It is almost beyond belief that that could have happened in such a raging fire. It was a miracle. But the firemen put a moat of water around the building.



I would like to speak of the very great and efficient action of our postmaster at Lowell, Mr. James Gallagher, who sent away his disabled veterans who worked there, those who had any difficulty with their lungs. Then he put one of the post office custodians, Mr. Kenneth Earle, and Arthur Garrabedian on the roof with hose and fire-protection apparatus. Nothing happened to the post office building. That would have gone also if it had not been that they had got the fire under control or if the wind had changed.

Then there was the auditorium beyond, the Lowell Auditorium. That would have gone, too, if they had not had the fire under control.

I am so sincerely grateful to the Lowell people for their wonderful self-sacrifice and their real heroism and for the way in which they adjusted themselves to the demands of this terribly spectacular fire.

The Lowell Sun Newspaper Building where I have my office, was so very near the fire and the people in it, like the owners, Mr. John and Mr. Clement Costello, behaved remarkably when they had burning sticks coming over on their window ledges. But still they kept the fire away, and remained calm.

I have such pride, Mr. Speaker, in my Lowell people. I wish you all knew them. They are modest and great Americans.

#### COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations be given permission to file three reports up until midnight, Saturday, July 2. The reports are entitled, first, "Civil Defense Shelter Policy and Postattack Recovery Planning"; second, "Personnel Practices and Procedures in the Internal Revenue Service—Des Moines, Iowa, District Office"; third, "Federal Home Loan Bank Board Seizure of Long Beach Federal Savings and Loan Association."

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

#### NATIONAL SERVICE LIFE INSURANCE

Mr. RANDALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RANDALL. Mr. Speaker, during the general debate on Wednesday, June 29, in consideration of H.R. 11405, with Senate amendments, the chairman of the House Veterans' Affairs Committee asked unanimous consent to take the bill from the Speaker's table for immediate consideration. The amendment permits the application of any person originally eligible to apply for national service life insurance to make a new application within 1 year after January 1, 1961,

upon the submission of evidence of good health at the time of such application, and the payment of the required premiums.

It developed there was objection from the gentleman from California, a member of the House Veterans' Affairs Committee [Mr. SMITH].

At page 15002 of the RECORD, a member of the Insurance Subcommittee stated that the subcommittee studied the legislation "at great length" and "unanimously turned it down."

Mr. Speaker, I rise, as a member of that subcommittee, to make this statement in order to prevent any possible inference that I was against the reopening of national service life insurance. There was no action of the subcommittee that "turned down" anything. There was a motion to defer action at the time because of statements by staff counsel that Senator Long's amendment would be proposed; and to await developments in the Senate. Because of use of the words "unanimously turned down" by the gentleman from California [Mr. SMITH], it could be interpreted that I was opposed to the reopening. Instead I wish to state that I am in favor of reopening national service life insurance, because it is only fair that this old right be revived as to those who, because of some hardship, had to drop this insurance in years past. This reopening is not a handout or a giveaway. It is not even a Government subsidy. This reopening cannot injure private insurance companies because there is no expansion of any rights but only the reinstatement of an old right. I sincerely hope the House has the opportunity to vote upon the granting of this right to reopen national service life insurance.

#### CAPTIVE NATIONS WEEK

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DINGELL. Mr. Speaker, the Captive Nations Week, which is being observed throughout the country during the third week of July, has become a significant and momentous week. The observance of this week serves as eloquent expression of our wholehearted sympathy for all peoples enslaved by the Kremlin's Communist tyranny.

The peoples of central, Eastern, and southeastern Europe, numbering about 100 million in all, were living freely in their historic homelands before the outbreak of the last war. They were doing their best in building democratic institutions in their respective countries, and thus were contributing considerably to the spread and strengthening of democratic forces in their countries. But the war and the catastrophic events succeeding that war, proved fatal to their freedom. By one blow, one might say, all of them were caught and trapped behind the Iron Curtain, treacherously devised

and effectively maintained by the Communists' totalitarianism. That is what makes the lot of numerous nations living between the Baltic and Black Sea so tragic, and their future so closely linked with that of the Soviet Union.

Since the end of the last war the people of this country, through their Government, have exerted tremendous forces with a view of relieving the misery and eventually assuring freedom to these peoples. Short of war, the Government of the United States working in cooperation with the governments of the free West, has done its utmost to have the Soviet Union to allow freedom to these peoples. Unfortunately, all these efforts have been of no avail, and today they are no more free than they were before we began to champion their righteous cause. But we have not given up hope, and we firmly believe that the captive nations of Europe will eventually regain their freedom. Until that day, the people of this country and their Government will continue to observe annually Captive Nations Week, so long as these peoples are denied the right of their becoming the masters of their destiny. On this day we once more dedicate ourselves to the task of freeing these enslaved peoples from Communist totalitarian tyranny.

#### THE FEDERAL MUTUAL SAVINGS BANK BILL

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, our distinguished colleagues, the gentleman from Alabama [Mr. RAINS], the gentleman from Massachusetts [Mr. BURKE], the gentleman from Pennsylvania [Mr. BARRETT], the gentleman from Hawaii [Mr. INOUYE], the gentleman from New York [Mr. FINO], and the gentleman from New York [Mr. HALPERN] have joined me today in introducing a bill to establish Federal mutual savings banks.

In order to carry out more effectively its responsibilities to the Nation for promoting maximum employment, production, and purchasing power, the Congress must facilitate and encourage an increased flow of real savings to finance housing and other capital formation on a sustainable, noninflationary basis. These increased savings necessary to the security and welfare of the individual, as well as the Nation, should be provided within the private institutional framework of our competitive economy. The objective of increased capital formation through thrift can be advanced by the extension of the mutual savings bank system.

This bill therefore provides for the chartering of mutual savings banks by the Federal Government.

These new banks would be privately managed, federally supervised and insured institutions organized to supple-

ment the efforts of State-chartered mutual savings banks. Like their State counterparts, these banks would specialize in the encouragement of thrift and would channel savings for investment in private home financing, Government securities, redevelopment, and other capital formation. This bill is being introduced at the end of this session so that between now and the next session interested groups will have an opportunity for the careful study that this program merits.

Banking in the United States has in a sense emulated our Federal system of Government by evolving along two separate lines—State and National—and this dual banking system has, as much as any other single factor, contributed to the vitality of our financial institutions. We have State commercial banks and National commercial banks. We have Federal and State savings and loan associations. The dual chartering system extends to credit unions as well. Mutual savings banks alone exist as State institutions exclusively and then only in 17 States.

Mutual savings banks have a special appeal and a special skill in the encouragement of thrift which has been aptly demonstrated in States where these banks now exist. In those States, per capita holdings of thrift accounts generally are higher than in other States in the United States. The 17 mutual savings bank States are all included in the 25 States with the highest per capita holdings of thrift accounts. Denial of these thrift facilities to individuals in the 33 nonsavings bank States seems unwarranted—especially since both population and personal income are rising rapidly in these States and capital needs are greater than ever before.

Since mutual savings banks exist in only 17 States, it is probable that some general comments toward an explanation of mutual savings banks would be helpful.

Mutual savings banks are called mutual because they are organized without stockholders. The effect of this is that all earnings, after provision for adequate reserves, are distributed to depositors as interest on their deposits.

Traditionally, mutual banks have not accepted checking accounts and have not made commercial unsecured loans. Their sole function is to encourage thrift and to stimulate the flow of savings into productive investment.

Management is by boards of trustees. Members of these boards are generally prohibited by law and by the principles of trusteeship from commercial dealings with their bank. The organizers of the bank usually constitute the first board, which thereafter elects new members as vacancies occur. The board establishes bank policies, elects officers, determines interest rates, and supervises investments, all subject, however, to Government regulation and examination.

First organized in the United States in 1816, mutual savings banks are the Nation's oldest type of thrift institution. They were formed originally by philanthropic, public-spirited men who saw a need for providing safe depositories for

the savings of those people of moderate means whom the larger banks were not interested in serving.

The mutual savings bank industry has the finest record of safety to depositors of any type of banking industry in the history of this country. It has survived wars, depressions, bank panics, and the booms and busts of nearly a century and a half.

Though operating in only 17 States, these banks today serve over 22 million accounts and have more than \$35 billion on deposit. Although they are authorized to exercise diversified investment powers, they hold \$25 billion in mortgage loans and in the 14-year period since the end of World War II have invested a greater proportion of the funds available to them in mortgages than have any of the other major types of financial institutions. An estimated \$5 billion of these loans are on properties in States other than the States where mutual savings banks are located. For instance, there are no mutual savings banks in California, Michigan, or Georgia, but mutual savings banks hold well over \$1 billion in loans to California homeowners, about \$300 million to Michigan homeowners, and over \$200 million to Georgia homeowners. This kind of record should suggest to us what can be done for thrift and home financing by extending these banks to all 50 States.

Following is a section-by-section analysis of my bill H.R. 12913:

#### SECTION 1. TITLE

The bill is entitled the "Federal Mutual Savings Bank Act."

#### SECTION 2. DECLARATION OF POLICY

The legislative purpose of establishing a system of Federal mutual savings banks is to promote thrift and utilize the accumulation of thrift deposits for home financing and other investments.

#### SECTION 3. DEFINITIONS

Certain terms, such as "financial institution" and "thrift institution," which have a special significance in the act, are defined in this section. "Financial institution" includes a "thrift institution" and also commercial banks, trust companies, and insurance companies. "Thrift institution" includes State-chartered mutual savings banks, cooperative banks, homestead associations, and mutual savings (building) and loan associations, and Federal mutual banks.

#### SECTION 4. THE FEDERAL MUTUAL SAVINGS BANK COMMISSION

This new independent Government agency would consist of three members appointed by the President for staggered terms of 6 years. The Commission would supervise the chartering of Federal mutual savings banks and their subsequent operation. Each member would be required to devote his entire time to the business of the Commission and would be prohibited during his term of office from serving in any capacity in any financial institution. No more than two members of the Commission could belong to the same political party at the time of appointment.

#### SECTION 5. COMMISSION POWERS

The Commission would be empowered by this section to adopt and amend rules and regulations for its own operation and for the operations of member banks of the system. This section contains a general grant of power and is further supplemented throughout the bill by various specific powers.

#### SECTION 6. CHARTERING OF MUTUAL BANKS

Application for a Federal mutual savings bank charter would be required to be subscribed to by 5 signatories from a minimum of 21 corporators. This minimum would not apply in the case of the conversion of a pre-existing thrift institution. The Commission would be empowered to grant a charter after finding that a Federal mutual savings bank would serve a useful purpose in the community, that there was reasonable expectation of its success, and that its operation would not unduly injure existing thrift institutions. All Federal mutual savings banks would be required to include the words "Federal," "mutual," and "savings" in their title. Federal mutual savings banks would be permitted but not required to become members of the Federal Home Loan Bank System.

#### SECTION 7. CORPORATORS

The ultimate authority in a Federal mutual savings bank would be the board of corporators. Corporators would be divided into three classes of equal size and would be elected for staggered terms of 10 years. The Commission would be empowered to prescribe standards of conduct for corporators. The Board would not be charged with the actual management of the bank; its principal function would be the election of the trustees.

#### SECTION 8. TRUSTEES

The board of trustees of a Federal mutual savings bank would be charged with the responsibility for policy management of the bank. Trustees would be elected from among the corporators for staggered terms of 3 years. No person acting as trustee of a Federal mutual savings bank would be allowed to hold office as a trustee, director, or officer of another thrift institution. Trustees would be prohibited from receiving any remuneration as a trustee except fees for attendance at meetings or for service as a member of a committee. Further, they would be prohibited from borrowing funds from the Federal mutual savings bank unless the loan were secured by the assignment of a deposit or share account in a thrift institution. Finally, these trustees would be prohibited from making any profit from any property sold to or services performed for the Federal mutual savings bank or in connection with any loan made by the Federal mutual savings bank. The Commission would be empowered, in equitable circumstances, to make exceptions from the restrictions on trustees.

#### SECTION 9. COMMENCEMENT OF OPERATION

No Federal mutual savings bank would be permitted to commence operations until it had qualified as an insured bank under the Federal Deposit Insurance Act. No Federal mutual savings bank would be permitted to continue operations if it should at any time cease to be so qualified. Prior to commencement of operations, an expense fund would be required to be advanced in cash to the credit of the Federal mutual savings bank. Contributions to this expense fund would be evidenced by deferred payment certificates, which could be repaid in such installments and at such interest as the Commission approved. The expense fund would be available for the payment of operating expenses until such expenses could be paid out of the bank's earnings.

#### SECTION 10. RESERVE FUND

In addition to the expense fund which would be utilized for operating expenses of the Federal mutual savings bank, a reserve fund would be required to be advanced in cash to the credit of a Federal mutual savings bank and would be available for the sole purpose of meeting losses. The minimum amount of the initial reserve fund would be \$50,000. The actual size of the reserve fund would depend on Commission standards and



also on the requirements of the Federal Deposit Insurance Corporation. Each Federal mutual savings bank would be required to add to this reserve fund out of net earnings whenever the reserve fund did not equal 12 percent of deposit liabilities. Sums advanced to the initial reserve fund would be evidenced by deferred payment certificates and would be repayable in such installments and at such interest as the Commission provided.

#### SECTION 11. BORROWING

A Federal mutual savings bank would be empowered to borrow funds subject to Commission regulation.

#### SECTION 12. DEPOSITS

A Federal mutual savings bank could accept any savings deposit, could reject sums offered for deposit, could repay deposits at any time, and could classify and differentiate among deposits on such bases as it determined. Interest on deposits could be paid from net earnings and undivided profits. A Federal mutual savings bank would be empowered to require advance notice of withdrawal.

#### SECTION 13. INVESTMENTS

A Federal mutual savings bank would be empowered to invest in Government, State, and local obligations, obligations of agencies of the United States and the States, Canadian obligations, title I notes, in conventional mortgages subject to certain restrictions such as loan-to-value limitations and total aggregate investment, insured mortgages, and secured promissory notes. Corporate securities investment would also be subject to certain restrictions, such as minimum maturity and total aggregate investment.

In addition to the investment powers specifically set forth, the Commission would be empowered, by regulation, to grant Federal mutual savings banks authority to make further investments, but the Commission would not be empowered to restrict investment powers to limits more stringent than those set forth in the bill. The types of investment specifically mentioned in the bill, therefore, represent a minimum grant of power.

#### SECTION 14. BRANCHES

With the approval of the Commission, a Federal mutual savings bank could establish one or more branches in the State of its principal office, but only to the same extent that any State-chartered financial institution accepting funds from savers was authorized to establish branches. Before approving any branch application the Commission would be required to make the same findings as provided for in the case of a charter application. Branches and offices operated as of conversion, merger, or consolidation could be continued in operation. Rights to branches or offices could also be retained.

#### SECTION 15. CONVERSION

Any thrift institution could convert itself into a Federal mutual savings bank provided that such conversion was in accord with the laws under which the converting thrift institution was organized and providing also that the Commission approved. Before approving any such conversion, the Commission would be required to find that the institution seeking conversion had the ability to discharge the duties and to conform to the restrictions upon Federal mutual savings banks and had previously so conformed to the extent required by the Commission. The institution would be empowered to retain and service all accounts lawfully held by it on the date of its conversion. Federal mutual savings banks would be empowered to convert into any type of thrift institution, but such conversion would be subject to approval of any regulatory authority having jurisdiction over the type of thrift institution into which the Federal mutual savings bank sought to convert. Federal mutual

savings banks would not be permitted to convert unless the State laws applicable to the thrift institution into which the Federal mutual savings bank sought to convert permitted reciprocal conversions to Federal mutual savings banks without approval by any State authority. The approval of the Commission would not be required for the conversion of a Federal mutual savings bank into another type of thrift institution.

#### SECTION 16. MERGER AND CONSOLIDATION

Any two or more Federal mutual savings banks or any one or more Federal mutual savings banks and one or more State-chartered mutual savings banks would be permitted to merge or consolidate. The approval of the Commission would be required where the surviving or consolidated institution was to be a Federal mutual savings bank and the approval of the appropriate State authority would be required where the surviving or consolidated institution was to be a State-chartered mutual savings bank. However, no Federal mutual savings bank would be permitted to merge or consolidate when the surviving or consolidated institution was to be a State-chartered mutual unless under the law of the State in which the Federal mutual savings bank was located, State-chartered mutual savings banks could participate in mergers or consolidations without approval by State authority when the surviving or consolidated institution was to be a Federal mutual savings bank.

#### SECTION 17. GENERAL POWERS

Federal mutual savings banks would be granted certain operational powers and incidental powers appropriate to the achievement of the objects and purposes of a Federal mutual savings bank. Further, a Federal mutual savings bank would have the authority to exercise all the powers possessed now or hereafter by any State-chartered mutual savings bank chartered by the State in which the Federal mutual savings bank was located. A Federal mutual savings bank would also have the authority to exercise powers defined by the Commission as generally possessed now or hereafter by State-chartered mutual savings banks.

#### SECTION 18. ANNUAL REPORT

The Commission would be required to submit an annual report to the President for transmission to the Congress.

#### SECTION 19. EXAMINATION

The Commission would be required to conduct an annual examination of each Federal mutual savings bank provided that the Commission could accept for any year in lieu of such examination an examination by the Federal Deposit Insurance Corporation.

#### SECTION 20. TAXATION

No State, territorial, county, municipal, or local taxing authority would be permitted to impose any tax on Federal mutual savings banks greater than that imposed by such taxing authority on other similar local mutual or cooperative thrift and home financing institutions.

#### SECTION 21. AUTHORITY TO APPOINT CONSERVATORS AND RECEIVERS

The Commission would be empowered to take possession of a Federal mutual savings bank and appoint a conservator or receiver whenever it appeared that such Federal mutual savings bank (1) had violated any provision of the act; (2) was conducting its business in an unauthorized, unsound, or unsafe manner; (3) was in an unsound or unsafe condition to transact its business; (4) had neglected or refused upon proper demand to comply with the terms of any order, rule, or regulation of the Commission; (5) had refused to submit its records and affairs for inspection by the Commission or the Federal Deposit Insurance Corporation. If the Commission determined to appoint a receiver it could only appoint the Federal

Deposit Insurance Corporation. In the event the Commission took possession of a Federal mutual savings bank, any officer of such Federal mutual savings bank would have 10 days to apply to the local U.S. district court for an order requiring the Commission to show cause why it should not be enjoined from continuing possession and if a conservator or receiver had been appointed, why such appointment should not be vacated. The district court would be granted jurisdiction to hear such cause and to grant appropriate relief.

#### SECTION 22. SEPARABILITY

If any provision of the act or the application of such provision to any person or circumstance should be held invalid, the remainder of the act and the application of such provision to any other person or circumstance would not be affected thereby.

#### SECTION 23. RIGHT TO AMEND

The right to alter, amend, or repeal the act is expressly reserved.

The following is a summary of the bill:

This act would authorize the chartering of mutual savings banks by the Federal Government. These new banks, like their State-chartered counterparts, would be organized without capital stock, and their earnings, after provision for adequate reserves, would be entirely distributed to depositors.

This act creates the Federal Mutual Savings Bank Commission, a new independent agency, which would supervise the chartering and operations of Federal mutual savings banks. A charter could be granted whenever the Commission found that a Federal mutual savings bank would serve a useful purpose in a community; that there was reasonable expectation of its financial success, and that its operation would not unduly injure existing thrift institutions. Before commencing operation, a Federal mutual savings bank would be required to qualify as an insured bank under the FDIC.

These new banks would be managed by a board of trustees, elected from among a board of corporators. Trustees would serve for staggered terms of 3 years. Trustees would be prohibited from receiving remuneration as trustees; from borrowing funds from the bank; and from making a profit from any property sold to or services performed for the bank or in connection with any loan made by the bank.

Before commencing operation, each Federal mutual savings bank would be required to have an expense fund for initial operating costs and a reserve fund which would be available solely for the purpose of meeting losses. This reserve fund would be added to through annual increments from net earnings until the fund amounted to 12 percent of deposit liabilities. The new banks would be authorized to borrow funds subject to Commission regulation and would be permitted, though not required, to join the Federal Home Loan Bank System.

The banks could accept any savings deposit and pay interest from net earnings and undivided profits. They would be authorized to invest in mortgages, Government obligations, State and local obligations and corporate securities, subject to restrictions contained in the act. The Commission would be empowered to expand the investment authority.

Federal mutual savings banks could establish branches to the same extent that State-chartered financial institutions accepting savings funds were authorized to do so. Provision has been made in the bill for the conversion of thrift institutions into Federal mutual savings banks and for the reciprocal conversion of Federal mutual savings banks into thrift institutions. Federal mutual savings banks will be authorized by this bill to merge or consolidate with other Federal mutuals or State-chartered mutuals.

In addition to the powers specifically accorded Federal mutual savings banks by this bill, they would be authorized those powers held by State-chartered mutual savings banks in the State of their principal office. Further, the Commission could define certain powers as being generally possessed by State-chartered mutual savings banks and could authorize these powers for Federal mutual savings banks.

The Commission would be required to conduct an annual examination of the new banks but could accept, in lieu of such examination, an examination by FDIC.

The Commission would be authorized to take possession of a Federal mutual savings bank whenever it appeared that the bank was violating a law or regulation or was in an unsound or unsafe condition. However, the mutual bank would have the right to immediate judicial review of any such action by the Commission.

#### AUTHORIZATION FOR SPEAKER AND CLERK TO ACT DURING ADJOURNMENT

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

#### SPECIAL ORDER PROCEDURE

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I take this time to make a general observation. For the past several days and on many other occasions during this session of the Congress I have witnessed unanimous consent requests being made for Members to be granted special orders at the conclusion of the day and at the same time asking unanimous consent that they may revise and extend their remarks.

Mr. Speaker, it would seem to me that when such remarks appear in the Record, merely because no objection is made at the time a second party requests that a special order be granted, and that the person to whom the remarks are credited is granted permission, by unanimous consent, to revise and extend his remarks without having actually appeared on the floor, that there is a violation of the rules governing insertions in the CONGRESSIONAL RECORD, which is increasingly becoming not—and I repeat not—a record of what is happening in the House. And, I also want to take this opportunity to remind the House that I have introduced legislation in the form of a resolution which would eliminate some of the abuses which have occurred and would return to the custom that we have observed in the past, when a person

could look at the CONGRESSIONAL RECORD and have some feeling of assurance that the party whose name appeared there had actually appeared here on the floor and had at least obtained personal permission to address the House. I would not go so far as to say that the CONGRESSIONAL RECORD as it has appeared has been phony but I do contend that it is not a record of what occurs in the House of Representatives, and I hope that beginning next session I will have the cooperation of the Members to bring about some changes in the rules which will restore an order that should have been observed long ago. Before the convening of the 87th Congress, I hope to have compiled some statistics, indicating the extent to which these abuses have grown, and will have suggestions in the form of a resolution which I hope will be favorably considered and acted upon by the proper committee, and approved by the House.

#### COMMUNICATIONS ACT AMENDMENTS FOR 1960

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 10 minutes.

Mr. MEADER. Mr. Speaker, on last Tuesday, the Committee of the Whole had before it S. 1898, Communications Act Amendments of 1960. On page 14761 of the CONGRESSIONAL RECORD for that day appears the text of an amendment I offered to section 6 of that measure, page 24, line 13. The effect of my amendment was to strike from the bill a provision that a cease and desist order of the Federal Communications Commission could be enforced by the imposition of a fine up to \$1,000 for each day that a respondent failed to observe the orders of the Commission. And I called attention to the fact that this would establish a novel, and I thought dangerous, precedent.

Mr. Speaker, conditions were such with debate and amendments having been limited to 15 minutes, with many desiring to talk, that I was able to get only 1 minute to explain that amendment. And since it was a technical amendment, dealing with legal procedure, it was, perhaps, difficult to make completely plain to all of the members of the committee precisely the limitations and the purposes of the phraseology that I wanted to strike.

I had made some study of this matter and had made inquiry as to whether any commission possessed such power of enforcement of its own cease and desist orders by the imposition of a forfeiture, and I had been unable to uncover anything in the law.

I consulted the Legislative Reference Service of the Library of Congress and their Legal Division. I had a law student who works part-time in my office check with the Legislative Reference Service. I had discussed it with counsel of the Committee on the Judiciary and with the legislative counsel and with some of my colleagues on the Committee on the Judiciary, including the gentleman from Pennsylvania [Mr. WALTER], whose judgment on matters of ad-

ministrative procedure I respect very highly. I felt quite sure that my statements were correct, but I understand that in the minute or so I had to explain them they might not very well have been put across to the Members of the House.

I take this time because this measure will go to conference, I assume, with the Senate, and I would hope that the conferees on the part of the House will give serious thought and consideration to this particular provision and if it does establish a novel precedent for the enforcement of cease and desist orders of administrative tribunals I hope the conferees on the part of both Houses will give very careful thought to that rather important step before it is taken.

Subsequent to the discussion and some discussion which followed mine in the Record I had occasion to make further inquiry, and I have discussed the present existence of this authority in the administrative tribunals with the counsel of certain of the administrative tribunals, including the Securities and Exchange Commission, the Civil Aeronautics Board, and the Federal Power Commission. I must hasten to point out that in these and other laws there are many provisions for forfeitures for the violation of law which are commonly enforced by civil proceedings brought by the U.S. Attorney, but in a more restricted and limited sense, even with this subsequent inquiry, I have been unable to discover that any board or commission has the power of forfeiture with respect to enforcement of its own cease-and-desist orders.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I am very happy to yield to my colleague from Georgia.

Mr. FLYNT. Mr. Speaker, I have listened attentively to the comments of the distinguished gentleman from Michigan [Mr. MEADER]. At this point I should like to say that I concur with the remarks he has just made. At the same time I should like to say that following the comments of the gentleman from Michigan [Mr. MEADER] I as a member of the Committee on Interstate and Foreign Commerce took the floor very briefly, a matter of actually less than 30 seconds, to oppose the amendment which the gentleman from Michigan had offered. I am sure the gentleman from Michigan will agree with me that unfortunately for the full and adequate discussion of the important amendment which the gentleman offered both the gentleman from Michigan and the gentleman from Georgia were limited in time to such an extent that it was altogether impossible to discuss the merits of the amendment the gentleman from Michigan offered.

If the gentleman from Michigan had had adequate time he would have delivered the speech which I know he had already prepared, because the gentleman from Michigan is very careful on these matters over which his committee and the committee on which I serve have in some instances almost concurrent jurisdiction. I know of the gentleman's diligence and I know of his ability, and I want to commend him on both of them.



I certainly want to say to the gentleman that if he had had sufficient time to have included all of his remarks during the time he had the floor in support of his amendment I certainly would not have made a portion of the statements which I made following the remarks which the gentleman actually made rather than those which he would have made.

I think the amendment offered by the gentleman from Michigan does have considerable merit. If and when there is a conference between the House of Representatives and the other body on this bill, S. 1898, it is my pleasure to give the gentleman my personal assurance that I shall be glad to call to the attention of those who may serve as conferees on the part of the House not only the amendment offered by the gentleman from Michigan but the scholarly discussion of it which he included in the *RECORD* of June 28, 1960, on page 14761, together with the comments which the gentleman made on the floor of the House today.

I would like to say further that if in the limited time which was available to both the gentleman from Michigan and the gentleman from Georgia, the gentleman from Georgia did any injustice to the gentleman from Michigan it was not intentional and I make whatever apology may be necessary.

Mr. MEADER. I certainly thank the gentleman for his very gracious remarks.

Mr. Speaker, I yield back the balance of my time.

#### STATEMENT OF GOVERNOR NELSON A. ROCKEFELLER ON GOVERNMENT ORGANIZATION

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, this afternoon, the Governor of the State of New York, Gov. Nelson A. Rockefeller, testified before the Subcommittee on National Policy Machinery of the Senate Committee on Government Operations on the subject of Government reorganization. His testimony was brilliant and the recommendations he made were thoughtful and penetrating. In order that my colleagues in the House will have the benefit of Governor Rockefeller's statement I insert the text of the Governor's statement in the *RECORD* at this point.

STATEMENT BY GOV. NELSON A. ROCKEFELLER TO SUBCOMMITTEE ON NATIONAL POLICY MACHINERY OF THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS, OLD SENATE OFFICE BUILDING, WASHINGTON, D.C., JULY 1, 1960

I deeply appreciate this opportunity to appear before the Subcommittee on National Policy Machinery of the Senate Committee on Government Operations.

This subcommittee is performing an outstanding service to the Nation. The Nation's problems, the world's problems, press upon the policymakers in Washington with

ever-increasing urgency and in ever-growing complexity.

In seeking solutions to these problems, there can be no substitute for able men in Government—men of vision, of capacity, of courage. But not even the best of men can perform to the fullness of their abilities, nor will men of ability be attracted to Government or encouraged to stay in Government, if inadequate organization frustrates accomplishment. Thus, in its extensive exploration into the question of improving the organization of Government, this subcommittee is addressing itself—importantly, constructively, and with nonpartisan objectivity—to a fundamental need of this Government in dealing with a world of danger, of opportunity, and of fantastically rapid change. That need is to provide a framework within which able men can perform the great deeds demanded by the challenges of our times.

I know from personal experience that no man is more deeply concerned with this question than President Eisenhower. During the 6 years of my chairmanship of the President's Advisory Committee on Government Organization, 14 reorganization plans presented by the President were adopted by the Congress. The President's vision, breadth of concept and creativity made possible the substantial advances in Government organization achieved in recent years. In addition, they have profoundly influenced the thought behind specific proposals I shall make to this subcommittee today, although, naturally, I alone assume responsibility in recommending these proposals for your consideration.

With recommendations from the President, the Congress at its next session should, as a first order of business, set about adapting the Government's machinery to the needs, the urgencies, the demands for decisive action that the times require. I am confident that the work of this subcommittee will be of great value in accomplishing this.

As a fundamental step to be taken either at this Congress or at the next, I recommend the extension of the Reorganization Act of 1949, which expired last year. This legislation provided the basis for the reorganization plans adopted in the last decade, and should be renewed.

Governmental reorganization is necessarily a matter of cooperation between the legislative and executive branches. Understandably, it is a matter in which many toes will get stepped on, many vested interests within the Government feel imperiled. The blunt truth is that—despite all past progress—the present structure of the Federal Government is still not geared to support the President in developing and executing integrated policy, thoughtfully and purposefully, either in the complex areas of national security and foreign policy, or in the equally complex area of domestic affairs.

Few realize the tremendous load the President carries in his multiple responsibilities as chief of state, Chief Executive, Commander in Chief of the Armed Forces, the man constitutionally responsible for the conduct of our foreign policy, and leader of his political party. More than 50 departments and agencies of the Government report directly to the President. Their number imposes upon him an almost impossible burden—in the need to resolve conflicting approaches and divergent advice, and, from such sources, select and set a determining course of action.

In an effort to bring order to this array of agencies, a host of interdepartmental and interagency committees has been set up. These have come to number approximately 160 in the field of international affairs alone. In fact, international affairs involve, one way or another, the activity and responsibility of every department of our Govern-

ment. There are also some 18 independent agencies, as well as sundry boards and commissions, involved in aspects of international affairs. The field of foreign economic aid alone involves as many as four Government agencies—and six international financial organizations.

This overelaborate pattern of interdepartmental committees has been designed over the years in an earnest effort to meet the legion of complex problems in both foreign and domestic affairs. The simple fact is this: The committees of a democratic government cannot hope to meet or to master these problems by simply trying to outnumber them. The critical need is for a revamped structure of Government.

The fact, today, is that the structure of our Government too often moves slowly, even sluggishly, to meet this world of swift-moving change. It tends to be stiff and static—when it should be quick, alert, and creative. There is, therefore, a growing public awareness and concern about the structure of Government and the efficiency of its decisionmaking process. And one great proof of this public concern and interest is the existence—and the work—of this committee.

With all this in mind, I deeply believe that the time has come when we can look forward to achieving important reforms at the next session of the Congress.

I have no illusions about the complexity of these tasks. In the light of my own experience in Federal Government, and having undertaken, as Governor of New York, that State government's first reorganization in 30 years, I am well aware of the toughness of the problems. Yet I believe very strongly that both the clear need of the Nation and the quickened concern of the people make this a necessary, and a realistic, time for action.

Let us proceed, then, to the major specific areas of action—both foreign and domestic. For in both these areas the structure of Government demands reorganization to assist the President in wisely formulating and effectively executing national policy. As early as 1955, former President Herbert Hoover recognized this sweeping need by suggesting the creation of two appointed Vice Presidents with specific responsibilities respectively for foreign and domestic affairs. This problem was given active and detailed study by the President's Advisory Committee on Government Organization while I was Chairman of that Committee.

I welcome this opportunity to make the following recommendations in these two important fields:

#### 1. Foreign affairs and national security:

(a) Creation of the post of First Secretary of Government to assist the President in the exercise of his authority in this whole area.

(b) Further reorganization of the Defense Department to achieve unified doctrine, planning and command.

#### 2. Domestic affairs:

(a) Creation of the post of Executive Assistant to the President, to be head of a newly created Office of Executive Management.

(b) Consolidation, in certain areas, at the departmental and agency level, of functions now scattered among various Government agencies, particularly in such important fields as transportation and water resources.

#### I. FOREIGN AFFAIRS AND NATIONAL SECURITY

Let us examine briefly how further—and more forceful—support may be given to the President in his constitutional responsibility for the formulation, coordination and conduct of foreign policy.

#### The problem

The problem is too complex to be soluble by simply adding more authority or more

power or more functions to the Department of State. Foreign operations involve the Department of Defense and other major departments and agencies—each with its own special concern, and attitude toward, international problems.

The crux of the problem is to help develop a coordinated Presidential policy and program which can then be administered, on a day-to-day basis, by the existing agencies of Government. The proliferation of agencies and committees in this whole field has tended to increase and complicate—rather than ease and clarify—the burden upon the President in defining and directing policy. The reason is obvious. The more numerous and varied the sources of divergent advice and advocacy—from departments, agencies, committees and individuals—the less chance or time has been left to the President for reflective, overall, long-range defining of purpose and planning of policy.

The proper role of the committee, in our Government, is a subtle and delicate one. The system of committees, of course, works well in the Congress: it is basic to the legislative process, providing mechanism for concession and consensus as well as means for mustering votes for final legislative decision. And committees also have a proper and important place in the executive branch—either by sharing counsel among those empowered to act, or by conducting ad hoc studies on specific problems.

But excessive government by committee can be anything but constructive. In the field of executive action, it can reduce the level of government action to the least bold or imaginative—to the lowest common denominator among many varying positions. In such circumstances, policy may be determined not for the sake of its rightness—but for the sake of agreement. And then the bold and imaginative action most needed, in these critical times, becomes least probable or possible.

#### *The objectives*

The essential objectives are three.

First. In support and furtherance of our national purpose, we must integrate fully, at the Presidential level, the international political, diplomatic, economic and social, military, informational, cultural and psychological aspects of foreign affairs.

Second. We also must relate and integrate these matters—from the perspective of the responsibility of the Presidency—with all of our compelling domestic concerns—economic or social, financial or regulatory—as all these affect our national conduct in the world.

Third. We must provide the governmental structure that can effectively assist the President in developing objectives and policies, in all the area of foreign policy and national security, so clear and so thoughtful that they will give unified and purposeful direction to America's unique role in serving—and enhancing—the future of freedom.

#### *The recommendations*

To achieve these objectives—vital equally to our national security and our world role—I recommend two broad courses of action.

1. I recommend creation of the post of First Secretary of the Government to assist the President in exercise of his constitutional responsibility and authority in all the area of national security and international affairs.

This means—in more explicit detail—the following:

(a) The First Secretary should be appointed by the President, subject to confirmation by the Senate.

(b) He should have statutory designation as Executive Chairman of the National Security Council.

(c) He should exercise authority as delegated to him by the President, and subject to withdrawal of such authority by, and at the will of, the President.

(d) He should be empowered, at the discretion of the President, to act for the President in international matters at the prime ministerial level, with the Secretary of State operating on the level of the Ministers of Foreign Affairs.

(e) He should have a staff of his own and be empowered to use and reorganize all of the interdepartmental planning machinery of the Government in the area of national security and foreign affairs.

While the First Secretary, deriving his authority from the President and acting on his behalf, would have a status above that of the cabinet, the operating responsibilities of cabinet officers would not be changed. Thus, the Secretary of State would continue to be in charge of the day-to-day conduct of diplomacy. So, too, the Secretary of Defense would continue to be in the direct line of Presidential command of the Armed Forces.

As Executive Chairman of the National Security Council, the First Secretary could be delegated the authority, by Executive order or by legislation, to appoint the chairmen of such supporting groups as the Operations Coordinating Board, the Council on Foreign Economic Policy, and the National Advisory Council on International Monetary and Financial Problems.

2. I recommend the reorganization of defense planning and command to achieve, under the President, unified doctrine and unified direction of forces.

More specifically, this means the following:

(a) The Chairman of the Joint Chiefs of Staff should be designated Principal Military Adviser to the Secretary of Defense and the President, and be responsible for development of overall strategic doctrine.

(b) The staff of the Joint Chiefs should be organized on a unified basis under direct authority of the Chairman.

(c) All officers above the rank of brigadier general or the equivalent should be designated officers of the Armed Forces of the United States—not the individual service of their earlier careers—and their promotion should be placed in the control of the Department of Defense.

(d) Full authority should be given to the Secretary of Defense over all military research, development, and procurement, so that he may assure the most productive utilization of research and development funds.

(e) The budget process of the Defense Department should be revised so that Congress appropriates all funds to the Secretary, thereby fixing in him a focus of fiscal responsibility similar to that held by other Departments.

#### *II. DOMESTIC AFFAIRS*

The urgencies are as clear and great in the area of domestic affairs as in the areas of foreign affairs and national security. Here, too, the President needs the service and support of a structure of Government more effectively assisting him to define national purpose and executive national policy, in meeting the swiftness and the complexity of the problems and challenges of our time.

#### *The problems*

Such is the nature of this period of history that the problems confronting the Government have seemed to multiply even faster than the agencies created to cope with them.

To be specific:

There is the sheer number of departments and agencies reporting to the President—in essentially domestic affairs, no less than 8 departments and some 40 agencies.

There is the ever-widening scope of problems confronted within the Executive Office of the President itself. This Office includes such diverse duties as those of the Bureau of the Budget, the President's Assistant for Personnel Management, other specialized officials within the White House Office, the Office of Civil and Defense Mobilization, and the Council of Economic Advisers.

There is the constant and ever more difficult task of resolving conflicts between program objectives and budgetary limitations.

There is the ever-increasing volume of legislation pending in the Congress each year, including legislation proposed by the President—all reflecting new problems, freshly and forcefully challenging all departments of Government.

And there is the need for thoughtful long-range planning and development of policy—made ever more difficult, and ever more necessary, by problems ever more complex.

#### *The objective*

The President alone simply cannot undertake to meet the volume of problems and functions today demanding his attention, study, and action. To ignore this fact would be to strain the structure of our Government at its very apex—to allow it to be weak where it must be most strong.

The essential objective, then, is to give to the President a strong supporting structure within his own office for policy formulation and concrete decision.

A second objective is to assure that, at the level of the departments and agencies themselves, there is an organizational structure adapted to meeting the key domestic problems of today.

#### *The recommendations*

1. I recommend the creation of the post of Executive Assistant to the President and Director of the Office of Executive Management, to assist in planning and management in the sphere of domestic affairs.

There should be created immediately under the President a new Office of Executive Management. Five key functions should be transferred to the new Office of Executive Management, to be carried out by five bureaus created within the new Office. Each bureau should be under the direction of a noncareer official appointed by the President. The Director of the new Office would report directly to the President.

Under the plan I propose, these five bureaus and their functions would be:

(a) Bureau of the Budget:

Functions: Budget formulation and administration.

(b) Bureau of Legislative Clearance and Coordination Functions: The review, clearance, coordination and development of legislation proposed by the executive branch, and of the administration's position with respect to other legislation pending in Congress.

(c) Bureau of Program and Planning Functions: Development and coordination of recommendations concerning executive branch programs, including participation in long-range studies and planning.

(d) Bureau of Organization and Management Functions: Coordination and improvement of the organization and management functions of the executive branch, including accounting and statistical programs.

(e) Bureau of Personnel Management Functions: Assistance to the President in exercising his leadership in personnel management throughout the executive branch.

The Office of Executive Management, if created along these lines, would serve the President more effectively than the present structures of government in the general management of administrative matters, including budgetary, personnel, planning and organizational activities. The Office would assume the functions of various units within the Executive Office of the President and would, over a period of time, remove the need for numerous temporary staff arrangements established to meet special problems.

Even with an ideal organizational structure at the White House level, the President's responsibilities with respect to domestic affairs cannot, any more than in the field of national defense, be effectively performed without sound organization at the



departmental and agency level. All too often the location of a particular function within a department or agency is more a matter of history than of logic. Thus, in a number of areas improved governmental machinery is essential to sound policy development in meeting the critical and emerging problems of today and tomorrow.

In these areas:

2. I recommend the consolidation of functions which are now scattered among various government departments and agencies, particularly in such important fields as transportation and water resources.

The field of transportation is a good example because of its critical importance to the growth of our economy in time of peace and to the defense of our Nation in time of war. In spite of general recognition of the importance of transportation, we still do not have today a single focal point within the Federal Government for the formulation of overall national transportation policy, accompanied by broad powers to develop such policy and coordinate the activities of other agencies.

To remedy this, I recommend the creation of a new Department of Transportation, to which would be transferred all governmental transportation functions now located both inside and outside the Commerce Department. These transferred functions would include all the responsibilities of the Federal Aviation Agency, as well as the present promotional and administrative functions of the regulatory agencies: the Interstate Commerce Commission, the Civil Aeronautics Board and the Federal Maritime Board.

Another example—equally clear—is the area of water resources policy, where a dispersion of responsibilities has made the development of a coordinated and coherent government policy very difficult.

### III. CONCLUSION

I have outlined—briefly—a program of some specific measures to assist the President and the executive branch of the Federal Government in meeting the clear responsibilities and compelling challenges before it.

I believe such measures will enable the executive branch, in all areas of national policy, to give direction more firm and unified, and decision more swift and thoughtful.

No citizens are more keenly aware than you, gentlemen, of what is ultimately at stake here. The matters discussed seem technical or mechanical. They rise, in ultimate meaning, far above this level. They are tests—practical tests—of whether free government can work, and can work well. They are tests that come at a time when the processes of freedom—the workings of democracy—stand under fire and under challenge in the world at large. They are tests that we, as a people and as a nation, can and must meet.

### JOB OPPORTUNITIES FOR HIGH SCHOOL STUDENTS DURING SUMMER

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New York, [Mr. HALPERN], is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, the other day in the House I commented on the summer-jobs-for-youth situation. I told of my letter to the AFL-CIO and to the U.S. Chamber of Commerce and the National Association of Manufacturers urging their cooperation in stimulating job opportunities for our high school students during the summer.

There is no question but that constructive work and the self-confidence

and satisfaction it brings with it would go a long way toward curbing juvenile delinquency.

If every employer and union would take special pains to help fill jobs for young people on a temporary basis, they would be performing an outstanding service, not only to the young people directly involved but to the community.

In this regard, I would like to cite the tremendous public service performed by the New York Journal-American in its summer-job-for-youth campaign. Not only is this distinguished daily newspaper highlighting the problem and widely publicizing the vital needs and advantages in providing such jobs, but it has been publishing actual job opportunities they have been enlisting as a result of its campaign.

My hat is off to the Journal-American for taking these positive steps.

Let us hope that labor and management, that business, large and small, will respond to this call for action.

### PANAMA INTRIGUE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, in an address to the House on June 23, 1960, and subsequently, I revealed the determination of subordinate elements in the Department of State to engage in the treacherous act of raising the Panama flag over the Canal Zone in disregard of specific provisions of an act of this Congress and in violation of our treaty rights.

Because wresting control of the Panama Canal from the United States is a prime Communist objective for the takeover of the Caribbean, this announced intention is evidence of subversive influences in the Department of State that calls for immediate investigation by cognizant committees of the Congress.

In order that the Congress may be informed of the latest developments with respect to the Panama flag situation, I have written the Secretary of State and the chairman of the House Committee on Government Operations as per two which I shall now read:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., June 30, 1960.

HON. CHRISTIAN A. HERTER,  
Secretary of State, Department of State,  
Washington, D.C.

DEAR MR. SECRETARY: As shown by documentation in my address to the House on June 23, 1960, copy enclosed, it is clear that subordinates in your Department are determined to engage in the treacherous act of raising the Panama flag over the Canal Zone contrary to specific provisions of an act of this Congress and in violation of our treaty rights.

On two subsequent occasions, I have warned the House of Representatives that promptly after Congress adjourns your Department plans to recommend to the President that Panama be allowed to fly its flag over the constitutionally acquired domain of the United States known as the Canal Zone. These assertions have not been denied.

Accordingly, in view of the failure of your Department to recognize our Nation's legal position, I am writing you to give notice that should a formal display of the Panama

flag over the Canal Zone be made with the knowledge of your Department, Members of the House, who are clothed with constitutional authority in this regard, will press for your impeachment.

The Congress is representative of the sovereignty of the people under our Constitution and the members of your Department are their employees.

With assurances of my highest personal regards, I am,

Sincerely yours,

DANIEL J. FLOOD,  
Member of Congress.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., June 30, 1960.

HON. WILLIAM L. DAWSON,  
Chairman, Committee on Government Operations, House of Representatives,  
Washington, D.C.

DEAR MR. CHAIRMAN: The determination of subordinate elements in the Department of State to authorize a formal display of the Panama flag over the constitutionally acquired territory of the United States known as the Canal Zone has been announced and commented upon on the floor of the House without denial from that Department.

Because wresting control of the Panama Canal from the United States is a prime Communist objective for the takeover of the Caribbean area and for discrediting the United States in the eyes of the world, any such position is evidence of subversive influences in the Department of State, because it is in disregard of authority conferred upon that Department in administering our treaty obligations.

Enclosed herewith is a copy of my address to the House on June 23, 1960, and a copy of my letter of June 30, 1960, to the Secretary of State.

Because of the seriousness of the situation at Panama, I urge you as chairman of the Committee on Government Operations to start an immediate investigation of the Department of State to identify the persons responsible for what, in effect, has been a treasonable influence on the conduct of our isthmian policies.

Sincerely yours,

DANIEL J. FLOOD,  
Member of Congress.

### COMMUNISM AND THE CARIBBEAN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, in many previous addresses to the House, I have endeavored to describe the worsening situation in the Caribbean, now well on its way toward being transformed into a Red lake or, indeed the American "Soviet Sea," and to emphasize the necessity for action by the Congress in the form of positive declarations to defend our policies against Bolshevik attack.

In this effort, I have not been alone. The seriousness of the mounting crisis to the south of us was ably described on May 20, 1960 before the Long Island Federation of Women's Clubs by the Honorable Spruille Braden of New York.

A distinguished diplomat, who has served as the U.S. Ambassador to Colombia, 1939-42, Ambassador to Cuba, 1942-45, and as Assistant Secretary of State for American Republic Affairs, 1945-47, Dr. Braden has had a unique opportunity to observe at first hand the countries bordering on the Caribbean. Thus his views represent digested knowl-

edge derived from experience as well as study. They add materially to the arguments set forth in my address on June 12, 1960, over the Manion Forum Network entitled "U.S. Flirting in Caribbean Invites Disaster," which was reprinted in remarks of my distinguished colleague from Pennsylvania [Mr. WALTER] in the CONGRESSIONAL RECORD of June 23, 1960.

To make Dr. Braden's illuminating address available to the Nation at large in the permanent annals of the Congress, I quote the text, which is commended for study to all concerned with hemispheric security:

#### COMMUNISM AND THE CARIBBEAN

(Address by The Honorable Spruille Braden before Long Island Federation of Women's Clubs, May 20, 1960)

Always it is a pleasure to speak before the Long Island Federation of Women's Clubs, made up as it is, of so distinguished and attractive a group of ladies. I am especially complimented by your kind invitation to address you a second time. Also, it is a rewarding experience, because as I learned last year, individually and collectively, you make your views known in Washington, and they are listened to with attention and respect.

Therefore, to the extent you agree with my theses today, I hope you may be disposed to bring such constructive influences to bear on the administration and Congress, as may compel legislation and measures to wipe out at least some of the dangers now threatening the United States.

Let me begin by saying that I am profoundly worried by the way things are going all over the world. I am alarmed by the growth of collectivism on all sides, and the infiltration of communism into every phase of our national existence.

I used to say that probably I could live out my life in relative tranquility, but that I was sorry for my children, and much sorer for my grandchildren. Presently, I am not so sure that major catastrophe may not strike our Nation, even before the relatively few years remaining to me shall have run their course.

The United States, provenly the greatest and finest country ever to rise on the face of the globe, is in mortal peril of being struck down, not by an enemy from without, but by apathy and ignorance, collectivism and treason from within, opening the way for socialism and communism. This is a repugnant, not to say intolerable, thought, yet it is precisely what may happen unless the American public is awakened soon—very soon—to the danger; and through our republican processes, so impresses its views on Congress and the administration, as to force them to immediate and effective steps for the preservation of the Republic and of our way of life.

This morning, it is my purpose to speak with you about one of the many threats to our security and, for that matter, to the safety of the entire Western Hemisphere. I refer to the spread of communism throughout the Caribbean beginning at the gateways from the Atlantic, passing Puerto Rico and the Virgin Islands, to the portals of the Panama Canal, and up to the soft underbelly of the United States itself.

When discussing communism, it is well to remind ourselves of the true nature of the beast. Therefore, with your permission, I shall list on the one hand, some of the many falsehoods and mistaken views, and on the other, some of the basic truths on this subject:

A. We are not confronted, as so many people think, merely by an antagonistic ideology, or solely by a group of evil men who

never in the slightest will be influenced by appeals to reason, decency and morality, as we know these terms. This is a battle between light and darkness, right and wrong, freedom and slavery, religion and atheism. Communism is not peculiar to Russia, China, or any other country. Transcending all frontiers, it is a diabolical worldwide conspiracy, fanatically dedicated to the destruction of faith, of all national existence, individual dignity, and freedom everywhere. In particular, it aims to smash the United States and everything in which this Nation believes. The Communist leaders know that this must be done if they are to dominate and enslave humanity, as is their intention. They will stop at no crime or abomination to achieve their purposes. Testifying to this fact are the tens of millions cruelly tortured and murdered in the U.S.S.R., China, and the satellite countries, now, alas, including Cuba, only 90 miles from our shores.

B. More inhuman than even the Nazis at their worst, the Communists respect and fear only one thing: force—usually physical force—greater than their own. When they have the upper hand, they are unappeasable and relentless; they rant and rage, as do Khrushchev, Mao Tse-Tung and Fidel Castro. But when their bluffs are called by someone with superior power and determination, they plead, they beg, they even grovel, for accommodation, for peaceful coexistence, and pity. This is the experience of all of us who have had the opportunity to deal firmly with them.

C. Like the Nazis, they frequently are fiendishly clever; but similarly, they are not supermen. Both because of and despite their being such adept liars, one should doubt their every word; for my part I even believe false some of their claims about space navigation, including Lunik I and other alleged scientific achievements.

It was easy to identify the Nazis with their race superiority complexes, whereas the Communists shrewdly use the nationals in each country. They hide within other political parties, and are hard to detect or expose. They use well-intentioned idealists, dogooders, and other gullible citizens of each country as dupes to propagate their atheistic and materialistic ideology, and their satanic conspiracy. That is happening throughout the United States of America and the other 20 American republics and Canada.

D. The so-called card-carrying Communists are the shock troops used for cannon fodder in riots, insurrections, and revolutions. But they do not command. The really dangerous Communists—the Rosenbergs, the Klaus Fuchs and Hisses, and still more, their bosses—probably never had a card.

I testified before a Senate Committee in 1954, as to how Alger Hiss blatantly followed the Red line, in an attempt to arouse Panamanian animosity against the United States, and to support Soviet charges of aggression against the United States in the 1946 U.N. Assembly. But so securely was Hiss tucked away in an important State Department post, that at the time, I only thought he had blundered stupidly. I was not so sharp as I might have been, because I failed to recognize until afterward the Communist inspiration and impulse behind his actions.

E. The Communists always are a minority—a small one, even in Russia. Their leaders all over the world for the most part are drawn from the intellectual and bourgeois classes, rarely from the workers. The masses do not go "on the march" of their own volition. They are instigated and led by these cynical, envious and often frustrated intellectuals, ravenous for personal power. I have met, or been reliably informed about scores of Communists throughout this hemisphere; but I almost could count on the fingers of my hands those who originally were horny-handed sons of toil.

F. It is not true that the best or the only breeding ground for communism is where there are poverty and illiteracy. On the contrary, it usually flourishes most where there is industrialization and higher living conditions. To mention only two of many possible examples, witness northern Italy and our own great metropolitan areas, as contrasted with the lack of communism in the poor and unschooled regions of southern Italy or the Tennessee hills. Even in Russia and China, it was not until after the Communists had seized the large urban centers, such as Moscow and Shanghai, that they were able to conquer and make serfs of the great rural populations; at that, they had to resort to the mass murder of tens of millions of farmers. A similar procedure, on a numerically smaller scale, because there are fewer people to kill, is now underway in Cuba.

Poverty and illiteracy must be eradicated and replaced by improved living conditions and education, not by helter-skelter welfare statism, but only with the utmost care and thought exercised over a considerable period of time—perhaps generations.

G. Instead of meeting these problems intelligently, we have neglected our own needs, including the curing of poverty and illiteracy at home, in order, since 1946, to dash all over the earth, spending \$80 billion on what we call foreign aid, or mutual security. Thereby, we neither have defeated communism, nor materially improved the lot of the recipient peoples anywhere. We have set an appallingly bad example of extravagance, waste and corruption, which always are inherent in such a huge bureaucratic operation. As a result, country after country has been pushed toward socialization, an accompanying inflation, and eventual ruin, thus easing the way for a subsequent Communist takeover and destroying the peoples' ambitions for a genuinely representative and constitutional government.

Bolivia offers a fair pattern of the harm we have done. By pouring in close to \$200 million to sustain a Marxist regime, we have abetted murder and torture. Thousands of citizens have had to flee for their lives. The government has confiscated not only Bolivian-owned properties, but also those of U.S. citizens. Washington, in turn, taxes the latter in order to support and keep in office the self-same Communists and crooks, who seized the properties.

The squandering of much of these \$80 billion on foreign aid destroys the value of our currency through inflation. It brings us closer to that national bankruptcy which Lenin sought, as a way to destroy our free Republic. Karl Marx, hoping to disrupt all constitutional government said: "The surest way to overturn the social order is to debase the currency." In keeping with these precepts, both Lenin and Stalin declared that an essential for the spreading of communism was a program to aid underdeveloped areas. By our overseas giveaway system, we, like guileless innocents, have underwritten Communist plans for our own ruin. The Kremlin despots must roar with laughter at our naivete, as they promise to bury us.

H. Communists, to gain temporary benefits, will pact with anyone; with reactionary dictators, nationalists, or sworn anti-Communists. They both try to create new conflicts and to deepen those already existing. They gladly will reverse themselves, sacrifice and kill off their own agents, and always will go back two steps, in order later to take three forward.

Playing both ends against the middle, Communists often pretend to have intraparty disputes, one group supporting and the other opposing a particular government. This happened for a time vis-a-vis Peron in Argentina. However, they also have genuine and desperate schisms, such as arose between the Stalinists and Trotskyites. Such a cleavage may be starting now in Cuba



between the older and younger generations of Communists. In this connection, I am not convinced so far of the sincerity of the so-called *Movimiento de Recuperación Revolucionario* (the Movement to Recapture the Revolution). It might be a disguised group of Communists who, in an emergency, could be substituted for the Castro gang.

Since they grabbed Russia in 1917, the Communists have shown an almost unbelievable persistence; or, as my friend Bob Welch, of the John Birch Society, puts it, "A patient gradualism has been the most important key to the Communists' overwhelming success."

That has been their history in this hemisphere. After dismally failing to stir insurrection in Chile during late 1931, they attempted to seize power through a bloody revolution in El Salvador during 1932. Twenty thousand people lost their lives, and the Communists were defeated. Please remember that only a few Communists, by murder and terror, can and have seized many countries. They have persisted in their attempts to communize the Americas. Within the past year, Argentina, Mexico, and Uruguay have had to eject Soviet and satellite diplomats caught redhanded in subversion and espionage. During the last decade, Communist endeavors have been especially notable in Guatemala, Bolivia, and now, Cuba. It is by these patient, slow, and periodic, persevering, and insidious infiltrations that they expect eventually to demoralize, envelop, and then take over the United States of America. They have traveled far along this road.

I. When the Communists wish to seize control of a country, they try at an early stage, if possible, to wipe out the Army, especially the Officer Corps. Certainly the assassination of at least 10,000 Polish officers in the Katyn Forest, largely contributed toward that poor nation's fall. The same procedure was followed successfully in China and other satellite countries. That the armed forces, especially the officers, were not eradicated in Spain, Guatemala, the Dominican Republic, Argentina, and Venezuela, so far has saved these republics. But this well-known Communist tactic did prevail in Bolivia and Cuba, with dire results for those poor people.

J. It is foolish, as our inter-American conferences have done, to underscore international communism as the only danger. Any brand of Marxism, international, or national, of which there are a wide variety in this hemisphere, is bad: Socialism, the "Flop of the Century", as it has been characterized by Max Eastman, himself a former Socialist, is merely a prep school for communism.

It is pertinent to observe that so inefficient is socialism, that it only can be made to work at all when propelled and protected by the authority and ruthlessness of a totalitarian police state, such as the U.S.S.R. If it were not for this, the Soviet and every other Communist government, long since would have gone down the drain.

The United States of America cannot beat communism, coupled with Soviet-Sino aggression and imperialism, if we ourselves sink into the ineptitude, impotence, and waste of collectivism, welfare statism, or that impalpable thing called "social democracy". There are only two ways by which we can win:

1. By ourselves becoming the biggest and strongest totalitarian police state, with the consequent abandonment of all morality, liberty, and everything else we hold dear, or;
2. By forthwith throwing out, bag, and baggage, the socialism which, as Norman Thomas boasts, has taken over our country, and by returning to the principles laid down by the Founding Fathers. If we will again become the constitutional representative republic which we are supposed to be; if we wholeheartedly will support free, private, competitive enterprise, then we will not only

survive, but we can and will outproduce, outsell, and handily defeat any combination of socialist states, totalitarian, or otherwise, who dare to defy us.

Because of the relative underdevelopment, plus the large admixture of Indian (of Asiatic origin) and other non-Caucasian blood in much of Central and South America, the Communists long ago felt that Chinese methods of infiltration and guerrilla warfare would be best suited south of the Rio Grande. In the early twenties, promising young Communists from Latin America were trained in the "Yenan Way" by Mao Tse-tung, Chu Teh, Li Li Siang, and their colleagues, in the outskirts of Moscow. Now, with certain exceptions, such as the sabotage school in Prague, the Chinese are becoming increasingly active in the subversion of this hemisphere. They inspire more confidence amongst intellectuals and students—even in the secondary schools—than do the Russians. Also, the Chinese brand of communism has been more readily accepted than the Muscovite. Unfortunately, the Cuban Government now is spreading its Red agents over the entire hemisphere; they are financed lavishly and are proving far more effective than those of any other nationality, including the Chinese. They go in the garb of diplomats, cultural, trade or labor delegations, or as simple tourists.

Castro and the Cuban Communists frankly proclaim their intentions to rule the Western Hemisphere, just as Messrs. Lenin, Stalin, and Khrushchev, like Hitler and Mussolini, called their shots in advance. In 1924, Lenin in summary prophesied: "We shall take Eastern Europe; next the mass of Asia; then we can encircle that last bastion of capitalism, the United States of America. We shall not have to take it; it will fall like overripe fruit into our hands. (sic) The Cuban Communists expect to be the hands.

Eastern Europe and most of Asia are gone. A part of the Middle East is lost, and the rest is wobbling. Western Europe trembles, and Africa is teetering.

The Communist Party claimed a worldwide membership of 4 million in 1937. Twenty years later, this had grown to 33 million—up over 800 percent. But far more serious than this increase in party membership, is the fact that since August 1945, the Communists have averaged the enslavement of over 7,000 people per hour. At least 1,000 million people, non- and anti-Communists, who 15 years ago were as free as you and I, now live in virtual slavery, behind Iron, Bamboo, and more recently, Sugar Curtains.

Washington for years, in an attempt to counter this grim offensive, has squandered the \$80 billion I mentioned, and has placed our troops and bases all over the world. It has entered into NATO, SEATO, and other similar alliances. We citizens have had dined in upon us that the Rhine and Berlin, Korea and Taiwan, and many other far-off spots are our real frontiers, and vital for the defense of the United States of America.

Yet, no administration since 1948 has given more than a passing thought, or done anything effective to protect our shores and this hemisphere from the very serious threats which have been growing up throughout the Caribbean area.

Repeatedly, from 1942 to 1947 I, officially by cable, dispatch and in person, warned the highest officers of our Government about the Communist danger in Cuba and Latin America, including the Peron regime in Argentina. Later I sounded the alarm about Guatemala. But on October 4, 1957, I went out of my way to tell the State Department that a continuation of its policies inevitably would bring Castro, chaos, and communism to Cuba. My warnings were ignored.

By use of the most dangerous of all Communist weapons, infiltration and subversion, beginning in 1947, power gradually was

seized in the Republic of Guatemala by Presidents Arevalo and Arbenz, together with their Communist coconspirators. Fortunately, in 1954, the Communist regime was overthrown. The United States was blamed throughout Latin America for an intervention we had lacked the brains and initiative to carry through in our own defense.

What actually happened was that the President of Nicaragua, Tacho Somoza, had the courage, through his Ambassador in Washington, to buy planes and equipment for the Guatemalan Colonel Castillo Armas, who chased the Communists out of his homeland. The State Department did nothing, until a group of ambassadors from the other American Republics in effect said, "You are being blamed for intervention in Guatemala. It doesn't matter what the truth is. You will be considered the culprits and accused of intervention. Therefore, you might as well help out, and quickly, because if you don't, Castillo Armas will lose, Arbenz will win, and then you will find a series of these little Communist dictators cropping up all over Central America."

Only then did we support Castillo Armas. Of course, there is the unfortunate sequel that both he and Tacho Somoza were assassinated, and there is good reason to believe that the Communists had a hand in that.

One glance around the Caribbean shows it is fast becoming a Red lake. The Communist, Jeddy Jegan, is top man in British Guiana. The French islands, such as Martinique, are represented in the Paris Parliament by Communists. Betancourt's government in Venezuela, while admittedly left-wing, nevertheless might be upset by the Communists any time. Panama is weak, and the "comrades" are infiltrating there, as they are trying to do again in Guatemala. Costa Rica, Honduras, Nicaragua and the Dominican Republic are under severe attacks. Trinidad demands that we get out of our military base at Chaguamamas.

Of all the Caribbean republics, by instinct and experience the least influenced by exotic totalitarianism has been Colombia. Yet, since 1948, it has suffered continuously from Communist inspired and directed guerrilla bands operating in outlying districts. As a result in these areas, the national economy has been disrupted, agriculture paralyzed, thus raising the cost of living. The terrorized peasants have had to seek refuge in the cities where they can find no work. The ensuing chaos has broken down law and order and eased the way for communism. This plan of the comrades has been executed slyly and effectively under the leadership of such Communists as Gerardo Molina and Jorge Salamea.

Because Cuba is the most dangerous spot in the Caribbean, I shall devote the rest of what I say today to the catastrophe which now engulfs that beautiful island and wonderful people.

Parenthetically I should add that having been accredited as Ambassador to Batista during his first term of office as President, I am intimately acquainted with all of his bad as well as his good points. I also am fully informed of the many atrocities perpetrated during the closing years of his last administration. During that period, the Batista government could be compared to a serious and painful ulcer. In contrast, under the present Communist regime, Cuba is suffering from a cancer which, with indescribable agony, will kill.

If, by the grace of God, the Cuban Communist regime could be purged tomorrow, the effects of the economic and social, moral and spiritual evils it has wrought will endure for a very long time. This is part of a "burnt earth" policy always pursued by the Communists. If they cannot rule, they try to ruin.

Even at this late date, when the Communist nature of the Castro revolution should

be apparent to a child, authorities in Washington profess to be puzzled by the Cuban situation [sic]. They cannot understand Castro's motives, and even declare that no one can assert that a Communist regime rules that unhappy island [sic].

Well, I do categorically and emphatically assert that Castro, his brother Raul, "Che" Guevarra, President Dorticos, and practically every other important official is a Communist, and that Cuba rapidly is coming just as much under Communist domination as the U.S.S.R., China, and any of the satellites or Yugoslavia. I further assert that this constitutes a grave threat to the United States, to our security, and that positive remedial measures must be taken immediately.

To substantiate my foregoing assertions, let me briefly review the record for you: I learned quite a lot about Communists, their ways and foibles, while serving as Ambassador in Cuba from 1942 to 1945, because all their activities throughout this hemisphere were directed from Havana by a man named Fabio Grobart—probably a Pole. The only exception was that propaganda among colored people, in and around the Caribbean, was run from Harlem. Grobart traveled under 11 aliases and 9 different passports. He was an extremely important man. He set up and ran the "Caribbean Bureau," which was a section or branch of the Cominform. Castro's so-called 26th of July movement (i.e., his revolutionary movement), is a direct outgrowth and descendant of the Caribbean Bureau, including much of the same membership.

I was fortunate enough in Cuba to destroy a Communist organization known as the National Anti-Fascist Front. My action in this particular caused a bit of rumpus with the Soviet diplomatic representative in Havana. It was then that I learned how a Communist will grovel and demean himself, when faced with superior force.

Some of the then well-known Communists, such as President Dorticos, Minister of State (Foreign Minister) Raul Roa, the two heads of INRA (the Agrarian Reform Institute) and many others, now, as a temporary expedient, pretend, just as Mao Tse-tung once did, not to be Communists, but simply agrarian reformers, seeking only the welfare of the masses. As members of the 26th of July movement, they are every bit as Communist as are Khrushchev and his Kremlin pals.

Also, while I was Ambassador in Havana, the notorious Harry Dexter White, Assistant Secretary of the Treasury of the United States, tried to put over an insidious and clever scheme to establish a Central Bank and Cuban currency on such conditions as inevitably would have brought about so severe a financial and economic chaos as to open the way for the Communists. Again I was lucky enough to defeat those machinations and to learn some more about their worldwide conspiracy.

You will observe that our "great and noble Russian ally," even in the midst of World War II, by patient gradualism, was trying to get a footing at our very threshold, just as it had been trying to do for more than 30 years previously. Nor is there anything new about Communist endeavors to take over Cuba.

As for Fidel Castro, in the university he was recognized as a Communist by such a distinguished professor as Carlos Marquez Sterling and by fellow students including his own former brother-in-law. He had a rival candidate for the presidency of the student organization assassinated. Even his staunchest advocate in the United States, Herbert Matthews of the New York Times, admits that Fidel, during the 1940's, belonged to a young Communist group, and that he actively participated in the Communist-inspired and directed Bogotazo, which almost destroyed by fire the capital city of

Colombia during the Inter-American Conference of 1948. The Bogota's police records are more precise and prove that Castro was a Communist, sent by his party to help bring on that disaster.

Castro trained for guerrilla warfare in Mexico, under the Spanish Communist Colonel, now General, Bayo. When the Castro boys and their followers attacked the Moncada barracks near Santiago in 1953 before being repulsed and captured, they killed, in typically Communist style, with their machetes and knives a dozen or so of the soldiers, who were sick in their hospital beds.

The brothers, while still revolutionaries in the eastern Cuban hills, reportedly received substantial arms and financial aid from the Soviet. During that period they gave another example of usual Communist tactics, when they kidnaped a number of United States and Canadian civilians, plus a score of Marines, from our Guantanamo Naval Base. That the U.S. Government not only tolerated this indignity, but sent first one, and then two of its consular officers to the hills, to negotiate with these bandits, is one of the most disgraceful episodes in our history. Our acceptance of this outrage of course encouraged the Cuban Communists to further violence and insults. I might add that some of the scurrilities launched against the United States and President Eisenhower by Castro and his companions via the Havana press, radio, and television are unrepeatable in any polite company.

Fidel described his attack on the Moncada Barracks as the springboard from which he would take Cuba. And later, after Batista fled, he said Cuba would be the springboard from which he would take the hemisphere. In short, he hopes to be the Mao Tse-tung of the Americas, and spearhead of what he calls the continental revolution.

But enough of the psychopath Fidel, and his brother Raul, who with his wife, were trained behind the Iron Curtain. Already too much attention has been given to the Castros, who at the most, are only important incidents in this whole affair. If Fidel continues to lose his influence over the masses and becomes expendable, he will be wiped out overnight, just as have been Beria and so many other top Communists in the Soviet, Czechoslovakia, and elsewhere. But the Communists will remain in power. Having assassinated him they might even blame the "imperialistic Yankees" and acclaim Fidel as a "martyr."

Not only is the present Cuban Government largely manned by Communists, but everything it has done shows its true Red color and is in keeping with the normal, cruel procedures recommended by the supreme Soviet:

(a) One of the first things it did after getting power was—in cold blood, with Communist-incited popular clamor replacing any pretense of justice or a fair trial—to shoot soldiers and police, mostly officers, and even some civilians. The Castro government admits to something over 600 being murdered in this bloodthirsty fashion. Other estimates range from 5,000 or 6,000 to as high as 15,000.

(b) Many thousands more—probably upward of 30,000 Cuban citizens—have been imprisoned under the most shocking conditions of suffering, misery, and torture.

Political prisoners, no more guilty of criminal or counterrevolutionary activities than are you ladies, are subjected to indescribably wicked and cruel tortures.

Ernesto de la Fe, a well-known anti-Communist leader who opposed Batista, and whose forehead was severely cut by a jailer's gun lashing, is imprisoned on the Isle of Pines. He and many others are forced to work all day under the broiling tropical sun, but allowed only the equivalent of a small paper cup of water per day. Their insufficient food is mixed with offal and filth.

The prisoners' cells and clothing are infested with vermin. Bayonets are run into the orifices of the body. Or the guards, getting bored, play such games as awakening a prisoner in the middle of the night, telling him his hour has come, marching him off, lining up the firing squad and shooting—but with blanks. What fun, what a sense of humor.

(c) The regular army and officer corps having been killed, imprisoned, or otherwise disposed of, the usual Communist-led peasants, workers, women's, and children's—even 7 to 10 years old—militias have been and are being established, just as has been done in China, Bolivia, and so many other Communist-controlled countries. This is just one more step toward totalitarian regimentation. Including these militias, Castro is mobilizing the largest army in Latin America, to total 135,000 men and women. His May 1, 1960, parade, with tanks, weapons, soldiers, and militia, imitated the Moscow show on a smaller but none-the-less impressive scale.

(d) With the sole exception of the Communists, every other political party has been wiped out. Castro has just proclaimed that he will not indulge the people in what he calls the "antidemocratic farce of elections."

(e) Systematically, private property is being confiscated without any compensation whatsoever, or even a receipt being given. The promise of payment in 4-percent, 30-year bonds has been broken. Up here, we have read of how approaching \$1 billion worth of U.S. property has been or is being taken over, or as they call it, "intervened," which is the same thing. To this should be added the huge confiscations of Cuban holdings from thousands of small businessmen and humble folk of very modest means.

The government either has seized, or gradually is acquiring, at least a 51-percent control over all industry and commerce, banking and business. On April 25, the "Bank of Foreign Commerce" was created to be the "sole importer and exporter" of products as "may be to the national interest."

(f) The entire public is subjected to intensive around-the-clock propaganda, all with a furious pro-Communist and anti-United States content.

This mind conditioning of the Cuban people is good Communist practice. It is designed to prepare the ground for subsequent action.

Everyone, every Nation, likes to feel they have friends, even protectors, who will stand by in times of stress. In Latin America, especially Cuba, that always has been the role of the United States of America. By their hate, hate, hate the United States of America program, the Communists hope to replace us with the U.S.S.R. in Cuban minds and hearts.

Paraphrasing this explains Cuba's renewal of diplomatic relations with the Kremlin, the trade agreement with Mikoyan, and the delivery to Havana, in Soviet tankers of oil and gasoline, which Cuba could buy far more cheaply from her neighbor, Venezuela.

(g) Education similarly is being converted to the Communist and "hate Yankee" lines. These themes are driven home in the press and over television and the radio, so that even the small children of respectable anti-Communist citizens recite them by rote. Brainwashing is at a peak which is not even exceeded in Russia, China, or any of the satellite countries.

English is no longer taught in the schools, and the history books have been altered to paint the United States as a tyrannical enemy, who for reasons of selfish gain, delayed the final victory in the Spanish-American War, thus sacrificing thousands of Cuban lives.

In all of this there is the additional tragic note that never were any people more warmly friendly to our country, than the Cubans of all classes.



(h) The Cuban 1940 constitution has been violated in practically every clause by the words and actions of this Communist regime. No longer is there any separation of powers, review of government acts by the courts, nor equality and equity under the law. The judges are told what to do and how to rule or pass judgment. When a judge failed to condemn some aviators, pursuant to Castro's orders, he was shot for his pains. As in this case, the unconstitutional death penalty has been employed ruthlessly and repeatedly, as I have already described. Life, and the security of either person or property under law no longer exist in Cuba.

(i) Fundamental and human civil rights and freedoms are ignored completely.

(j) There is no real liberty of expression and opinion, nor of assembly.

(k) Everyone, including children, is encouraged to denounce members of their families, friends, and neighbors for "counter-revolutionary" activity, which can be made to cover almost anything, such as not attending a Castro meeting. But the prime "counter-revolutionary" crime for which loss of property, arrest and even the death penalty may be imposed, is the slightest sign of anti-communism, or even non-communism. Marinello, the head of the Communist Party, Foreign Minister Roa, and Castro all have declared that any attack on communism is an attack on Cuba (sic).

1. Armed aggressions have been planned and perpetrated against Panama, Haiti, Nicaragua, Guatemala, the Dominican Republic, and even Paraguay, 5,000 miles to the south.

The attack last year on Panama evidently was aimed at the Madden Dam.

The Cuban regime actively has pulled diplomatic wires to encourage Panama and Nassar to get together in order to force the United States of America out of the Canal Zone.

(m) Known criminals are given favors and preferences over political prisoners, and encouraged to beat them up. Sometimes, as a reward, criminals are freed to be given government jobs.

A notorious criminal escaped from the United States of America has been naturalized and is a major in the army. His special delight is sadistically to shoot the finishing bullet into the prisoners' heads as they lie wounded by the firing squad.

(n) Decrees and so-called penal laws are applied retroactively or ex post facto.

(o) No one, without special government permission, can take out of the country more than \$150, in any one year. Far worse than this, those men and women who are permitted to leave, often are stripped and searched in the most intimate and embarrassing fashion. Others can only get out of Cuba by escaping, just as do those fleeing from behind the Iron Curtain.

(p) Very few of the guajiros (peasants) have received the farmlands promised them under the so-called agrarian reform. Those who have, must work their farms under rigid official controls and can neither sell nor leave them to their heirs. Also, they easily can lose them at the whim of any minor government supervisor.

(q) Most of the confiscated lands and other properties have been converted into cooperatives owned and operated by the state. The workers, as in Russia, often receive smaller wages than before, and in all cases, are loaded down with new taxes, such as 4 percent for the government's purchase of arms. As a result, their take-home pay is considerably less than before, and in a 40-percent to 50-percent devalued peso, as labor increasingly comes under the subjugation of the Communists, who now control the unions, it will sink into serfdom.

(r) Almost the first thing the Communists did on seizing power was to burn the files of the official anti-Communist Bureau known as BRAC.

The No. 2 man in that organization, Captain Castano, was a brilliant and highly competent young officer, who had been trained in the United States by CIA. He was completely nonpolitical. Nevertheless, within a few weeks after the revolution, he was shot summarily. It is reported that our Embassy requested and was granted clemency for him.

(s) The most important inter-American multilateral treaties have been repudiated publicly by Fidel Castro, because his Government did not sign them (sic). It should be noted that the Caracas Charter, which he denounced, pledged all of the American republics to oppose and fight international communism.

(t) An unsuccessful attempt was made by Castro to subvert some Cuban priests to separate from Rome and form a Cuban Church. His proposition was rejected indignantly; he now attacks the Church whenever opportunity presents.

(u) The official Government radio repeatedly has attempted to arouse Puerto Rican animosities against the United States, and even to encourage a Negro uprising in our Southern States. Cuban Communist agents actively are proselyting in the factories of Miami and elsewhere in Florida.

The Cuban regime, having denounced all of the great press associations, such as AP and UPI, as the instruments of Yankee imperialism, has established its own Prensa Latina, which in reality is merely a branch of the Soviet information agency.

(v) As I have indicated, the Castro revolution, from its inception, has received every possible backing from international communism. Now, Cuba has been pledged a worldwide trade union boycott of all U.S. products, and a blockade of our ships, should we dare to enact any economic or other reprisal for the theft of property owned by our citizens. This proposal originated with the Mexican non-card-carrying Communist, Vincente Lombardo Toledano.

(w) Russian, Czech, and other foreign Communist agents have been supplied with Cuban passports to facilitate their travels throughout this hemisphere.

(x) The Cuban Foreign Office has been trying desperately to convene a conference of so-called underdeveloped countries. Those so far invited are largely the Communist or "neutralist" nations of Asia, the Middle East and Africa. The more responsible Latin American countries, such as Argentina and Chile, have refused to have anything to do with this proposition.

The intent of this conference clearly is to disrupt international relations, viciously attack the United States, and to demand at least \$30 billion from us for development in Latin America.

On April 5, 1960, the World Conference of Young Communists convened in Havana. Four thousand attended, with all expenses paid by Cuba. Speakers from every country vied with one another in damning and insulting the United States and its people.

(y) Great numbers of Russian, Chinese and other technicians have come to Cuba during the last year. On May 1, the International Marxist Day, Castro was accompanied on the reviewing stand by the representatives of the Soviet, Red China, Czechoslovakia, and other Communist countries.

There is even some reason to believe that the very secret work known to be going on in the Zapata swamps, involves the construction of missile pads under the guidance of some of the Soviet technicians. There are reports that the U.S.S.R. also is installing a submarine base.

(z) Cuba's Communist Minister of Foreign Relations, Roa, was an innitigated liar when he accused President Ydigoras of Guatemala and the United Fruit Co. of planning an attack on Cuba. This is good Communist procedure: always to accuse the opponent of what one is doing himself. In view of the timidity shown in Washington, it is pertinent to observe that Ydigoras promptly has broken diplomatic relations with Cuba.

The aforementioned listing of Communist activities by the Cuban Government from "a" to "z" could be extended manifold. But I will spare you the numerous other harrowing details.

I trust from what I have said that you will agree with me that:

1. Few people in this country or the hemisphere have any real comprehension of the true nature of the vast and complicated Communist conspiracy. They must be alerted and made to take positive and constructive steps for the safety of the United States and all the Americas.

2. The Communists' infiltrations and subversions have produced such fantastic results that they now control 40 percent of the world's population. Even this does not give the full picture because if we could count on all our allies, which I doubt, there still are left among the remaining 60 percent, many hundreds of millions of "neutralists," who even if they do not oppose or fight us, never will be of any help.

3. The situation is almost terrifying in its connotations for the security of the United States, especially now that Communism is advancing all around the Caribbean, with main objectives being Panama and Cuba, the latter of which now is completely in the enemy's hands. Of course, the ultimate target is the United States of America.

4. It is apparent that the State Department is utterly oblivious to this major threat looking to the final subjugation of the United States. It either has ignored or treated the situation with timidity and vacillation for years, thus making it all the more perilous. It has forgotten that never in history has appeasement paid and that if Cuban Communists get away with kicking us in the teeth, others soon will follow suit.

Anti-Communists throughout Latin America, because of our pusillanimous attitudes, are discouraged and do not dare force a bold and positive initiative against our common enemy;

5. In self-defense, it is our right, under the Organization of American States and the United Nations Charters, and infinitely more important, under God's law, that we should take immediate and forthright action to end this threat to our Nation and our very lives.

6. Any further delays in saving Cuba may be fatal for them and for us. Among the steps which still can be taken are:

Here at home, get rid of all the Communist agents and infiltrators along with their stooges.

Stop paying Cuba nearly double the world price of sugar, or a premium of about \$150 million per year. True, the Cuban people might temporarily suffer, but they would benefit in the end by ridding themselves of their Communist masters. This measure should have been used over a year ago, when it would have been far more effective.

Stop all foreign aid to Communist nations, including Cuba, and eliminate all the extravagance, waste, and corruption involved in these foreign aid programs. In other words, we should put ourselves in fighting trim to resist the Communist infiltrations and subversions which now are right at our own front door.

Make amply clear to Khrushchev, Castro and Company, that we will no longer tolerate their insults, robbery of our citizens'

properties, and economic or armed aggressions; and that if these things do not stop, we will break diplomatic relations. The mere threat of such action in Cuba, even at the late date, would weaken that Communist government greatly.

Give full support in every appropriate way, to a group of responsible Cubans, who with such aid, can and will free their country from the Communist tyrants, and return it to constitutional representative government.

It is these things to which I trust you ladies will give your support, thereby helping to force the Congress and administration in Washington to courageous and positive action.

God have mercy on our country.

#### DISTRESSED OR DEPRESSED AREAS BILL

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Pennsylvania [Mr. Flood] is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, faced with the long and turbulent history of the area redevelopment bill, also known as the distressed or depressed areas bill, and also as the Flood-Douglas bill, I recognize the need for another approach to at least one part, but an important part, of this many sided problem.

The Chamber of Commerce, the Committee of One Hundred, and the Industrial Development Committee of Wilkes-Barre, Pa., and the Chamber of Commerce and the Can-Do Committee of Hazleton, Pa., are outstanding examples of what a community can do to help itself to meet the issues of unemployment, underemployment, and general economic and industrial development. With a long history of success in raising local funds in various ways and enjoying the enthusiastic participation of local banks in financing its extensive programs, these areas soon realized that its local risk capital was exhausted for this purpose and what was needed now is a bill to allow banks and lending institutions to rediscount their industrial mortgages with the Federal Government following generally the same pattern as Fannie Mae mortgages. These mortgages should be purchased at a little less interest rate than the banks have charged in order to give trustee banks an opportunity to charge a small sum for servicing the loans for the Federal Government. This proposal has been endorsed by bankers, lawyers, by various union people, and by the businessmen, and by the industrial development corporations of the affected area.

This type of program is an absolute "must" for communities who have attempted an economic renaissance. When the communities run out of financial "steam," additional moneys could thus be funneled into the community for industrial development usage at no cost to the Government. It would be a loan which would be repaid with interest. Another point in its favor is an existing Government agency could handle the entire transaction.

Secondly, the Federal Government should rediscount the third mortgages of industrial development agencies in the

same manner. It would supply these communities with partial or additional funds to continue their industrial development program through their existing industrial development corporations.

Here is a concrete proposal which would continue to spark our industrial renaissance, so I have a suggested program of Federal loan guarantee and discount facility—the proposal outlined below is patterned generally after the V-loan program authorized by the Defense Production Act of 1950:

First. An independent agency, the Area Redevelopment Administration, would be established—similar to that provided for in S. 722. This Agency would determine the eligibility of areas under criteria established by the law.

Second. The ARA would be authorized to insure industrial loans in eligible areas if it determined that the loan would contribute to the basic economic health of the area and that it met certain standards of soundness. This guarantee would cover up to 90 percent of the outstanding balance of the loan and a premium would be charged by ARA. To initiate the program, the Treasury would be authorized to contribute \$10 million as an insurance reserve. This Treasury contribution would be ultimately repayable from income received from application fees and insurance premiums.

Third. The ARA would discount the insured portion of any loan upon demand by the borrower. The amount of the discount would be based on the current cost of money to ARA. To finance these purchases, ARA would be authorized to issue its own debentures, not guaranteed by the Government, to private investors. To provide a basis for issuing these debentures, the Treasury would be authorized to purchase \$10 million preferred stock in the ARA discount facility—to be repaid to the Treasury eventually out of income. In addition, the investor who sold a loan to ARA would be required to purchase a certain percent of capital stock.

The proposals made in the ARA plan are aimed primarily at those areas of substantial unemployment which are making progress in helping themselves. In particular, the purpose is to free funds of banks which are loaned up both in terms of their total ratio of industrial loans to deposits and in the amounts which can be loaned to a single borrower. It is also intended to help development corporations which have reached the limit of their financial capacity.

It has been proposed that the Federal Government provide guarantees of privately made loans and also a discount facility empowered to purchase loans from banks and development corporations. In addition to establishing precedents for this type of aid, the assistance proposed by this plan might be patterned after one of these programs. The plan generally follows the V-loan program.

It should be noted that the insurance and discount proposals could be considered independently. The principal benefit of the insurance feature would be to

encourage private lending institutions outside the redevelopment areas to purchase loans from local lenders, thus freeing local resources. A Federal discount facility would not need the insurance although the insuring agency might well handle the review and approval of loans more expeditiously than the discounting agency.

It has been suggested that the Federal Housing Administration be the agency to write this insurance. However, this would probably antagonize the real estate interests which would object to seeing FHA take on a program outside their field. Also, the insuring of industrial loans would be completely new to the FHA staff. Already there are many complaints that FHA processing takes far too long—often as much as 45 days—to approve applications in their own field of housing. Also, it seems certain that other Government agencies, particularly the Department of Commerce, would raise strong objections on jurisdictional grounds.

#### LOAN INSURANCE

Obviously, it is very important to keep redtape and bureaucratic details to a minimum. A coinsurance approach such as is used in the FHA property improvement program would help to hold processing time to a minimum. For example, the Government might guarantee 90 percent of the outstanding balance of a loan.

#### A FEDERAL DISCOUNT FACILITY

In view of objections to using Federal money for area redevelopment any discount facility would probably have to be patterned after the Federal National Mortgage Association's secondary market operations.

Briefly, FNMA is authorized to sell its own debentures—which do not carry any Federal guarantee—to private investors in an amount up to 10 times its capital, surplus, reserves, and undistributed earnings. The initial capital was provided by the Treasury which purchased \$50 million of FNMA preferred stock. Additional capital comes from the requirement that anyone selling a mortgage to FNMA must purchase common stock equal to 2 percent of the amount of mortgages sold. The objections to a similar discount facility for area redevelopment would be the initial Treasury capital required plus the fact that the debentures which the agency sold would compete with the Treasury for private funds.

#### THE V-LOAN PROGRAM

An interesting variation of the insurance-discount idea was provided in the Defense Production Act of 1950. Under this program, Government procurement agencies, primarily the Department of Defense, were authorized to guarantee loans when necessary to stimulate defense production. This guarantee included a provision that upon request by the lender the procuring agency was required to buy the loan. Adapting this to area redevelopment, the law might authorize an Area Redevelopment Administration to offer its guarantee for any loan which it determined would aid



employment in an eligible community. This guarantee would also contain a contractual agreement that the agency would purchase the loan upon request by the lender. The funds for these purchases could be obtained from the sale in the private market of the agency's own debentures.

#### COMMUNITY FACILITIES

In regard to points 3 and 4 of the outline hereinabove, which call for long-term low-interest loans to private utilities for highways and schools and other services to industrial tracts, it is suggested that the funds be made available by earmarking authorizations in existing programs such as the public facilities loan program administered by Community Facilities Administration—HHFA. These earmarked funds could be used only after certification of need by the Area Redevelopment Agency.

As a result of the developments which was witnessed in my own area, such greatest need is refinancing assistance. The problem existing in our industrial development agencies here is that we have reached the limits of the lending capacity of most of the banks. We have already been forced to secure out-of-area financing in one instance. We are rapidly being forced out of this area for financing in many other instances.

Under these circumstances, it seems that one important thing that we should try to do is to establish a system whereby the banks in an area could rediscount the "paper" with the Federal Government. As I have said, this would be much along the lines of the so-called Fannie Mae mortgages whereby the Government buys up or rediscounts these mortgages.

If this could be arranged for the labor-surplus areas utilizing industrial development programs, it would mean loaned-to-capacity banks could rediscount this paper with the Federal Government, possibly at a percentage slightly less than what they are receiving. This difference could be used to pay the banks for the servicing of the Federal Government's mortgage and handling the collection.

This, of course, must be done in such a way that the Federal Government would be the lender rather than the banks. This is necessary so that the local development corporation would no longer be liable to the banks and would no longer be carried by the banks as an up-to-capacity borrower. Thus, the banks would have a practically inexhaustible lending capacity to an industrial development organization such as Can-Do in Hazleton or any similar local group.

The second feature of this bill should be that Can-Do, the local group, would be able to either mortgage its interest to the Federal Government at a nominal rate of interest, which should be less, of course, than what Can-Do is paying to its bondholders and a sufficient percentage of interest left so that Can-Do can service the collections and pay for them out of the interest. Can-Do could either mortgage any interest that it had left in any particular building or, as in the case

of some buildings where it had taken mortgages, could rediscount these mortgages with the Federal Government. If this system were set up, it would mean an end to any further Can-Do drives for money since it would have a continual revolving fund of money until such time as all Can-Do bonds were due for redemption. Every time it had reached the limit of its capacity and were completely out of money, it could then either mortgage any interest it still had with the Federal Government, or it could rediscount with the Federal Government any mortgage that it would then hold. As I see it, this is one great need of such local groups.

Another thing, it will urge any area that wants any Government assistance to first go out and raise funds of their own—this should be a qualification of the bill—and will urge States that want assistance to set up funds of their own before they would have any ability to rediscount in the method that I have set forth. The financing plans suggested here will provide the large majority of the necessary industrial development money once a community has raised funds. While the Federal Government would be participating with its ability to raise and loan money, it would not require the Federal Government to participate unless the community and State had first shown initiative. This would have a great advantage in that it would proceed to construct buildings in exactly the same manner it is doing now. Thus, it would only be when it would reach a limit of its funds that we would apply for this assistance. Federal redtape would not prevent a delay in the construction of the building or the signing of a prospect.

I respectfully submit that regardless of what is done about any other type of bill, we should go on record as urging this kind of assistance.

I do not look upon this bill as a sacred cow and therefore, untouchable. This bill is the synthesis of the thinking and the experience of many responsible citizens who have devoted their time and talents for many years to this problem. This bill is a proposal for a vital need. I would urge that when considered by the great Banking and Currency Committee of the House, which committee undoubtedly will receive the bill, the vast experience of that committee and its brilliant staff with the many problems of the distressed economic areas of our Nation as well as its knowledge of the Government mortgage program, will expedite the passage of this legislation bringing to the bill ideas, suggestions and proposals to insure its success.

I am indebted to numerous civic leaders in my congressional district for their advice and assistance in the preparation of this bill and these remarks particularly Mr. Frank Burnside, Mr. John Hourigan, and Mr. William O. Sword, of Wilkes-Barre, the Wilkes-Barre spark-plugs; Attorney Lou Feldmann, now national commander of the VFW and attorney for the Hazleton Can-Do group; Dr. Edgar L. Dessen, the driving force

behind the Hazleton operation, and Mr. Clifford Jones, secretary of the Hazleton Chamber of Commerce.

Mr. Speaker, under unanimous consent I include in my remarks at this point the following statement and also a copy of my bill, H.R. 12854:

#### STATEMENT OF NEEDS OF THE GREATER HAZLETON AREA REGARDING DISCOUNTING OF MORTGAGES AND INTERESTS IN PROPERTY BY THE GREATER HAZLETON COMMUNITY-AREA NEW DEVELOPMENT ORGANIZATION, INC., COMMONLY KNOWN AS CAN-DO, INC.

What is to be said in the following paragraphs will apply equally to any area anywhere in the United States which has the following conditions:

1. That it has raised money locally for the community share of industrial development costs.

2. That it is located in any area except the extremely large urban communities of the United States.

The Hazleton area has raised from its local citizens in three drives approximately \$2,100,000 to be used for industrial development. The first was the Electric Autolite drive of 1947 which raised \$650,000. The second was the Can-Do drive of 1956 which raised approximately \$750,000. And the third was the Can-Do Drive of 1959 to which there was approximately \$850,000 paid or pledged.

While the Electric Autolite development in Hazleton did a great deal of good for the community, it also provided to the community—and even to those who took an active part in the drive—that it was not the most desirable way to bring in new industries, since this drive contemplated a certain amount of contribution by the community toward the cost of the building, as well as the repayment by Electric Autolite Co. of a certain percentage of the community funds.

Therefore, Can-Do, Inc., proceeded to operate on a different basis entirely.

This basis is briefly based on the Pennsylvania industrial development act, which provides that the State will provide 30 percent of the cost of an industrial building at varying interest rates (depending on the rate charged by the community), providing that (1) the banks or financial institutions will finance 50 percent of the cost of the building, and (2) that the community will finance 20 percent of the cost of the building.

Can-Do, Inc., proceeded on this basis to build buildings, and these were disposed of in varying ways:

1. By self-amortization leases containing options to purchase.
2. By old-fashioned land contracts.
3. By the use of first, second, and third mortgages.

In the first two plans, Can-Do, Inc., gave to the banks in the Greater Hazleton area its first mortgage for 50 percent. It gave to the State of Pennsylvania (PIDA) its mortgage for 30 percent, and it retained a 20-percent in the building.

Under the lease plan, Can-Do, Inc., originally gave its mortgage to the banks for the 50 percent, its mortgage to PIDA for the second mortgage of 30 percent, and when the building was completed, gave to the industrial firm a deed in fee simple for the property. The industrial development firm, in turn, gave the banks its own first mortgage and bond. The deed contained a provision whereby the industrial firm took the deed, under and subject to and agreeing to pay PIDA its second mortgage. (Pennsylvania law required this.)

Finally, the firm gave to Can-Do, Inc., the firm's mortgage for Can-Do, Inc.'s 20 per-

cent. All mortgages were to be amortized over 15 to 20 years at varying interest rates, depending on the money market.

The following buildings have been constructed by Can-Do, Inc., at approximately the following amounts:

|                            | Cost of building | Bank loan | State loan | "Can-Do's" interest in the building |
|----------------------------|------------------|-----------|------------|-------------------------------------|
| General Foam Corp.         | \$400,000        | \$200,000 | \$120,000  | \$80,000                            |
| Capitol Products Corp.     | 425,000          | 212,500   | 127,500    | 85,000                              |
| Highway Trailer Co.        | 1,210,000        | 605,000   | 363,000    | 242,000                             |
| Lewis Steel Products Corp. | 420,000          | 210,000   | 126,000    | 84,000                              |
| New Moon Homes, Inc.       | 400,000          | 200,000   | 120,000    | 80,000                              |
| Spaulding Bakeries, Inc.   | 925,000          | 462,500   | 277,500    | 185,000                             |
| Foldes Industries, Inc.    | 155,000          | 77,500    | 46,500     | 31,000                              |
| Lone Star Boat Co.         | 933,500          | 466,750   | 280,050    | 186,700                             |

We were able to get Lewis Steel Products Corp. to invest \$50,000, reducing the local cost to \$370,000.

You will note that simple addition will show you that we have, therefore, built \$4,868,500 worth of buildings.

It will also show that the banks have invested in mortgages in these buildings \$2,434,250. It will also show that the State of Pennsylvania has invested in these buildings \$1,460,550. And it will also show that Can-Do, Inc., retains an interest either in fee or by mortgage by \$973,700.

Now comes the problem. In the Hazleton area, we have the following banks or lending institutions—banks are limited by law on their loans to any one person or company 10 percent of their capital and surplus but not including their undivided profits—and the law is the same both for State and Federal banks. As a matter of practice, banks will not go over 60 percent in deposits of loans of all kinds; and, therefore, bank loans of the type I have been describing depend on other loans banks have, and this, of course, follows to some extent the market for money. Banks further have a dislike for industrial mortgages, particularly small banks; and some banks refuse to take very many—if any—industrial mortgages at all.

Ignoring all other factors and only considering the limit fixed by law of capital and surplus, banks in the Hazleton area are able to loan at a maximum the following amount of money to any individual or corporation:

|   |                  |
|---|------------------|
| Northeastern Pennsylvania National Bank & Trust Co. | \$1,100,000      |
| Hazleton National Bank                              | 225,000          |
| First National Bank, Hazleton                       | 110,000          |
| People's Savings & Trust Co.                        | 75,000           |
| Traders Bank & Trust Co.                            | 70,000           |
| Miner's Bank & Trust Co.                            | 32,500           |
| First National Bank, McAdoo                         | 25,000           |
| First National Bank, Freeland                       | 30,000           |
| Citizens' Bank of Freeland                          | 60,000           |
| Conyngham National Bank                             | 17,000           |
| White Haven Savings Bank                            | 20,000           |
| First National Bank, Nuremberg                      | 12,000           |
| <b>Total</b>  | <b>1,776,500</b> |

#### Tamaqua banks:

|                                    |                |
|------------------------------------|----------------|
| The First National Bank of Tamaqua | 107,500        |
| The Tamaqua National Bank          | 100,000        |
| People Trust Co. of Tamaqua        | 45,000         |
| <b>Total</b>                       | <b>252,500</b> |

First Federal Savings & Loan Association of Hazleton 250,000

Thus, it can readily be seen that one of the greatest problems facing us today is not only getting industry, but also being able to get the money to finance industry. We have solicited our people, and despite the fact we are in what the Government calls a chronic distressed area, we have raised fabulous sums of money; but this cannot go on indefinitely.

Our banks have been very cooperative, but they are faced with limits I have set forth, with the result that if it were not

for the Philadelphia Saving Fund Society, we would not have been able to even complete the Spaulding transaction. In giving you the list of firms above with the figures on each building, I have purposely overlooked General Foam Corp., which is now in the process of expanding their plant at a total cost of \$400,000 additional—which means \$200,000 more from the banks and \$120,000 from the State of Pennsylvania, and \$80,000 interest retained by Can-Do, Inc.

What I have also purposely overlooked giving you is the fact that because of the impossibility for a considerable period of time of raising the banks' share of the money, we lost an expansion of the Highway Trailer Co. which would have cost \$1,250,000, for the simple reason we could not get together bank loan of the necessary \$625,000. They just did not have the capacity nor the money.

A. Markle, Jr., who is certainly no amateur in this field, but a man of tremendous experience, finally after many weeks put a package together; but by that time, Highway Trailer Co. changed its mind, and 500 jobs were lost to Hazleton.

You will also note, before I get into details of the act, that the First Federal Savings & Loan Association of Hazleton is listed for \$250,000 limit, apparently due to peculiarities of law. This is a "guesstimate."

May I say and repeat—that without the Philadelphia Saving Fund Society and Northeastern Pennsylvania National Bank & Trust Co. and the First Federal Savings & Loan Association of Hazleton, this program would have come to an end 18 months ago. Yet this is the program that has employed well over 1,000 men directly and several thousand indirectly. Now, the proposal of the Hazleton plan is this:

First. That the Government set up a corporation similar to Fannie Mae, with authority to buy and relieve Can-Do, Inc., of its liabilities on the bond, and first mortgages held by banks given by Can-Do, Inc., to the banks in which Can-Do, Inc., is the mortgagor and banks are the mortgagees. (As you know, these are participating mortgages in which a number of banks take part and one bank is named as trustee.) This would eliminate the problem of limitation of capital and surplus imposed by law and free money so that we might bring in other industries and expand existing industries.

Second. Take care of self-imposed restrictions imposed by banks (many of these being limits imposed by bank examiners). This then would release dollars that banks might lend to Can-Do, Inc., and other development organizations.

In other words, to safeguard the Government, I would suggest that the law contain provision of first in-first out. In other words, we would have to ask the Government to first buy the foam rubber mortgage before we can ask them to buy any other mortgage.

Third. I would suggest that provision be made in the law that present trustee continue his duties and collect money for the Government, and that present trustee's fee

of one-fourth of 1 percent be paid from the funds collected.

The second part of the act should provide that the Government would be able to buy the interest of the industrial development organization in each of these buildings. This would then allow the industrial development organization to continue to rotate its funds, avoiding the necessity of going back to the people continuously for money; but it would have the advantage of forcing communities to participate if they are to get help. This money should be loaned to the community at a very nominal rate of interest, since one of the difficulties of present procedure is that there is not enough left over to pay interest on bonds or debentures or promises to pay, since some of the money is raised on promises to pay it back, although some are outright gifts.

These, then, are the highlights and important features of this bill. This would insure continued industrial development in any area which was willing to raise some money and could work out some kind of financing plan with either Federal or State aid, or even possibly just with their banks.

However, before closing this, I should point out to you that these are not the only costs of industrial development. It is true we purchased land for \$5 an acre and improved that land until it is conservatively appraised for \$1,000 an acre for developed parts. But when we say this, we fail to take into consideration what has made it worth the \$1,000 an acre. May I respectfully submit to you some of the items:

1. We have had thousands of hours of free work by people of the community in helping to supervise and develop a project.

2. We have had the use of all types of earth-moving equipment firms at prices far below what could be secured from commercial groups.

3. We have built our own sewers and sewer systems—both sanitary and storm.

4. We have built a water system with two deep wells and with pressure that exceeds the pressure of the city of Hazleton.

5. We have planned the area with the assistance of engineers who worked at very small cost laying out a modern industrial park.

6. We have built roads and drainage systems.

Now, in addition to these, we have had cooperation of others, to wit:

1. The Commonwealth of Pennsylvania backfilled major stripings which existed in this area at absolutely no cost to us.

2. The county of Luzerne built an entrance to the industrial park and an excellent road at no cost to us.

3. Hazle Township and West Hazleton Borough installed a phone fire alarm system.

4. The Pennsylvania Power & Light Co. cooperated by bringing in high voltage powerlines.

5. The Bell Telephone Co. cooperated by bringing in many and varied services, including teletypes, etc.

Thus, it should be noted that everyone has participated excepting the Federal Government. Yet the hundreds of thousands of dollars which were paid to the Federal Government during the past 3 years in income taxes from people who had no incomes before but now have incomes because they are employed, certainly should of itself justify the Federal Government in offering some help. What we propose is not something that will cost the Federal Government any extensive sum of money. If it is carefully administered without strangling bureaucracy, it can be done very cheaply and with minimum loss to the Government. In fact, if it is well and intelligently administered, the Government can make a profit. This plan envisages



nothing except the Government doing what we are unable to do ourselves—and that is finding a market for our mortgages and finding a means of releasing our community funds so that they may turn over again.

While this is called the Hazleton plan, it is only called it because we have had fabulous success so far and we now deal in hard sound practice. We know our weaknesses and know the weaknesses which will develop anywhere; therefore, we respectfully submit this plan to you.

#### H.R. 12854

A bill to promote the redevelopment of economically depressed areas by establishing a Government corporation which will provide a secondary market for industrial mortgages covering property in those areas

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Redevelopment Area Industrial Mortgage Association Act."*

#### PURPOSE

SEC. 2. It is the purpose of this Act to establish in the Federal Government a secondary market facility for industrial mortgages which will provide a degree of liquidity for industrial mortgage investments in economically depressed areas and improve the distribution of investment capital available for industrial mortgage financing, and to provide that the operations of such facility shall be financed by private capital to the maximum extent feasible.

#### CREATION OF ASSOCIATION

SEC. 3. There is hereby created in the executive branch of the Federal Government a body corporate to be known as the "Redevelopment Area Industrial Mortgage Association." The Association shall have succession until dissolved by Act of Congress. It shall maintain its principal office in the District of Columbia and shall be deemed for purposes of venue in civil actions to be a resident thereof. Agencies or offices may be established by the Association in such other places as it may deem necessary or appropriate in the conduct of its business.

#### CAPITALIZATION

SEC. 4. (a) The Association shall have nonvoting common stock; and initially shall also have nonvoting preferred stock to which the Secretary of the Treasury shall subscribe as provided in subsections (d) and (e) of this section. All stock of the Association shall have a par value of \$100 per share, and shall not be transferable except on the books of the Association. At the option of the Association all such stock shall be retireable at par value at any time, except that retirements of common stock shall not be made if, as a consequence, the amount thereof remaining outstanding would be less than \$10 million. With respect to the preferred stock held by him, the Secretary of the Treasury shall be entitled to cumulative dividends for each fiscal year or portion thereof, from the date or dates the capital represented by such preferred stock is initially utilized until such preferred stock is retired, at rates determined by him at the beginning of each such fiscal year, taking into consideration the current average interest rate on outstanding marketable obligations of the United States as of the last day of the preceding fiscal year. The Secretary of the Treasury shall permit the retirement of the preferred stock held by him in the manner provided in this section. Funds of the capital surplus and the general surplus accounts of the Association shall be available to retire the preferred stock held by the Secretary of the Treasury as rapidly as the Association shall deem feasible. Concurrently with the retirement of the last of such outstanding shares of preferred stock, the Association shall pay to the

Secretary of the Treasury for covering into miscellaneous receipts an amount equal to that part of the general surplus and reserves of the Association (other than reserves established to provide for any depreciation in value of its assets, including mortgages) which shall be deemed to have been earned through the use of the capital represented by the shares held by him from time to time. The amount of such payment shall be determined by applying to such surplus and reserves that percentage which is equivalent to the proportion borne by the employed capital represented by the Secretary's stock to the total employed capital of the Association, computed monthly to the aforesaid retirement of the last of the outstanding shares of preferred stock of the Association.

(b) The Association shall accumulate funds for its capital surplus account from private sources by requiring each mortgage seller to make payments of nonrefundable capital contributions, equal to not more than 2 per centum nor less than 1 per centum of the unpaid principal amounts of mortgages purchased or to be purchased by the Association from such seller under section 5, as determined from time to time by the Association, taking into consideration conditions in the mortgage market and the general economy. In addition, the Association may impose charges or fees for its services with the objective that all costs and expenses of its operations should be within its income derived from such operations and that such operations should be fully self-supporting. All earnings from the operations of the Association shall annually be transferred to its general surplus account. At any time, funds of the general surplus account may, in the discretion of the board of directors, be transferred to reserves. All dividends shall be charged against the general surplus account.

(c) The Association shall issue, from time to time, to each mortgage seller its common stock (only in denominations of \$100 or multiples thereof) evidencing any capital contributions made by such seller pursuant to subsection (b). Such dividends as may be declared by the board of directors in its discretion shall be paid by the Association to the holders of its common stock, but in any one fiscal year the general surplus account of the Association shall not be reduced through the payment of dividends applicable to such common stock which exceed in the aggregate 5 per centum of the par value of the outstanding common stock of the Association: *Provided*, That pending the retirement of all the outstanding preferred stock of the Association such percentage with respect to any one fiscal year shall not exceed the percentage rate of the cumulative dividend applicable to the preferred stock of the Association for that fiscal year.

(d) Within ninety days following the date of the enactment of this Act, the Association is authorized and directed to issue and deliver to the Secretary of the Treasury, and the Secretary of the Treasury is authorized and directed to accept, preferred stock of the Association having an aggregate par value equal to \$10,000,000.

(e) The preferred stock of the Association delivered to the Secretary of the Treasury pursuant to subsection (d) shall be in exchange for a note or notes of the Association, aggregating \$10,000,000 in principal amount (and upon which the accrued interest shall have been paid through the date of delivery), held by the Secretary of the Treasury pursuant to the authority contained in section 5(e).

(f) Notwithstanding any other provision of law, any institution, including a national bank or State member bank of the Federal Reserve System or any member of the Federal Deposit Insurance Corporation, trust company, or other banking organization, organized under any law of the United States,

including the laws relating to the District of Columbia, shall be authorized to make payments to the Association of the non-refundable capital contributions referred to in subsection (b) of this section, to receive stock of the Association evidencing such capital contributions, and to hold or dispose of such stock, subject to the provisions of this title.

(g) As promptly as practicable after all of the preferred stock of the Association held by the Secretary of the Treasury has been retired, the president of the Association shall transmit to the Congress recommendations for such legislation as may be necessary or desirable to the owners of the outstanding common stocks of the Association the assets and liabilities of the Association in connection with, and the control and management of, the operations of the Association under section 5 in order that such operations may thereafter be carried out by a privately owned and privately financed corporation.

#### EXERCISE OF SECONDARY MARKET FUNCTION

SEC. 5. (a) In order to carry out the purpose of this Act, the Association is authorized, pursuant to commitments or otherwise, to purchase, service, or sell industrial mortgages (as defined in section 6(a)) covering property located in industrial redevelopment areas (as defined in section 6(b)).

(b) The operations of the Association under this Act shall be confined to industrial mortgages which are deemed by the Association to constitute a reasonable risk and which in the judgment of the Association cover construction or other projects that will contribute to the economic development of the industrial redevelopment area in which the property involved is located. In the interest of assuring sound operation, the prices to be paid by the Association for industrial mortgages purchased under this Act shall be established, from time to time, within the range of market prices for the particular type and class of mortgages involved, as determined by the Association. The volume of the Association's purchases and sales and the establishment of the purchase prices, sales prices, and charges or fees, in its operations under this Act, shall be determined by the Association from time to time with the objectives that (1) such purchases and sales will be effected only at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities, (2) the operations of the Association under this Act will be fully self-supporting, and (3) purchases of industrial mortgages will be made on such terms as to permit the mortgage seller to hold and service the loan on behalf of the Association in appropriate cases.

(c) Notwithstanding any other provision of this Act—

(1) any advance commitment to purchase mortgages in operations under this Act shall be issued only at prices which are sufficient to facilitate industrial financing but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments;

(2) no mortgage may be purchased at a price exceeding 100 per centum of the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items;

(3) the Association may not purchase any mortgage unless it covers property which is located in an industrial redevelopment area and the development of such property with the financial assistance afforded by the mortgage will contribute significantly (as determined by the Association) to the economic redevelopment of such area; and

(4) no limitation may be set by the Association on the age of industrial mortgages which it will purchase, or (except as specifically provided in this Act) on the type or

types of industrial mortgages which it will purchase.

(d) For the purposes of this section, the Association is authorized to issue, upon the approval of the Secretary of the Treasury, and have outstanding at any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association with the approval of the Secretary of the Treasury, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations; but the aggregate amount of obligations of the Association under this subsection outstanding at any one time shall not exceed ten times the sum of its capital, capital surplus, general surplus, reserves, and undistributed earnings, and in no event shall any such obligations be issued if, at the time of such proposed issuance, and as a consequence thereof, the resulting aggregate amount of its outstanding obligations under this subsection would exceed the amount of the Association's ownership pursuant to this section, free from any liens or encumbrances, of cash, mortgages, and bonds or other obligations of, or bonds or of cash, mortgages, and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds. The Association shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that such obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Association. The Association is authorized to purchase in the open market any of its obligations outstanding under this subsection at any time and at any price.

(e) The Secretary of the Treasury is authorized in his discretion to purchase any obligations issued pursuant to subsection (d) of this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act are extended to include such purchases. The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if (1) all of the preferred stock of the Association held by the Secretary of the Treasury has been retired, or (2) such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than \$225,000,000. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase. The Secretary of the Treasury may at any time sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

#### DEFINITION OF INDUSTRIAL MORTGAGE AND INDUSTRIAL REDEVELOPMENT AREA

SEC. 6. (a) As used in this Act, the term "industrial mortgage" means a mortgage or other lien which—

(1) covers land or facilities (including machinery and equipment) acquired or developed for industrial usage, or factory

buildings constructed, rehabilitated, converted, or enlarged for industrial or related commercial uses, in an industrial redevelopment area; and

(2) is given to secure a loan made by a bank or other financial institution located within or outside such industrial redevelopment area, or by an industrial development corporation authorized to carry on its operations in such area by the State in which such area is located.

(b) (1) As used in this Act, the term "industrial redevelopment area" means at any given time an area in which—

(A) the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for any of the qualifying time periods specified in subparagraph (B);

(B) the average annual rate of unemployment has been at least—

(i) 50 per centum above the national average for four of the five preceding calendar years; or

(ii) 75 per centum above the national average for three of the four preceding calendar years; or

(iii) 100 per centum above the national average for two of the preceding three calendar years; and

(C) nonagricultural employment has declined, or has shown a smaller increase than in the country as a whole, during the preceding five calendar years;

but an area in which the average annual rate of unemployment has been in excess of 8 per centum for three of the preceding four calendar years shall in any event constitute an industrial redevelopment area.

(2) The Secretary of Labor shall from time to time, or upon the request of the Association (or at the request of the appropriate State agency, instrumentality, or political subdivision), certify to the Association as industrial redevelopment areas any areas where he finds, on the basis of available labor force data or studies initiated by him, that the conditions specified in paragraph (1) exist. In the case of any labor market area for which appropriate historical labor force data have not been compiled, the Secretary may certify such area as an industrial redevelopment area if the unemployment rate and duration in such area, based on a survey of available labor force data, generally equals or exceeds the applicable rate and duration specified in paragraph (1).

#### BOARD OF DIRECTORS

SEC. 7. The Association shall have a Board of Directors consisting of five persons appointed by the President of the United States (who shall designate one of such persons as Chairman of the Board) from among the officers or employees of the Association or (with the consent of the head of such department or agency) of any other department or agency of the Federal Government. The Board of Directors shall meet at the call of its Chairman, who shall require it to meet not less often than once each month. Within the limitations of law, the Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall select and effect the appointment of qualified persons to fill the offices of President and Vice President, and such other offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the executive officers of the Association and shall discharge all such executive functions, powers, and duties. The basic rate of compensation of the position of President of the Association shall be the same as the basic rate of compensation established for the head of the Federal National Mortgage Association. The members

of the Board, as such, shall not receive compensation for their services.

#### GENERAL POWERS OF THE ASSOCIATION

SEC. 8. (a) In the exercise of its functions under this Act the Association shall have power—

(1) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(2) by its Board of Directors to adopt, amend, and repeal bylaws governing the performance of the functions, powers, and duties imposed upon it by law;

(3) to enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or the Commonwealth of Puerto Rico, or with any political subdivision thereof, or with any person, firm, association, or corporation;

(4) to execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its functions or powers;

(5) in its corporate name, to sue and be sued, complain and defend, in any court of competent jurisdiction, State or Federal, but no attachment, injunction, or other similar process, mesne or final, shall be issued against the property of the Association or against the Association with respect to its property;

(6) to conduct its business in any State of the United States, including the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(7) to lease, purchase, or acquire any property, real, personal, or mixed, or any interest therein, to hold, rent, maintain, modernize, renovate, improve, use, and operate such property, and to sell, for cash or credit, lease, or otherwise dispose of the same, at such time and in such manner as and to the extent that the Association may deem necessary or appropriate;

(8) to prescribe, repeal, and amend or modify rules, regulations, or requirements governing the manner in which its general business may be conducted;

(9) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of its purposes; and

(10) to do all things necessary or incidental to the proper management of its affairs and the proper conduct of its business.

(b) Except as may be otherwise provided in this Act, in the Government Corporation Control Act, or in other laws specifically applicable to Government corporations, the Association shall determine the necessity for and the character and amount of its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for.

(c) The Association, including its franchise, capital, reserve, surplus, mortgages, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that (1) any real property of the Association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, and (2) the Association shall pay annually to the Secretary of the Treasury, for covering into miscellaneous receipts, an amount equivalent to the amount of Federal income taxes for which it would be subject if it were not exempt from such taxes with respect to its operations.

(d) The Chairman of the Board shall have power to select and appoint or employ such officers, attorneys, employees, and



agents, to vest them with such powers and duties, and to fix and to cause the Association to pay such compensation to them for their services, as he may determine, subject to the civil service and classification laws. Bonds may be required for the faithful performance of their duties, and the Association may pay the premiums therefor. With the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, the Association may avail itself on a reimbursable basis of the use of information, services, facilities, officers, and employees thereof, including any field service thereof, in carrying out the provisions of this Act.

(e) No individual, association, partnership, or corporation, except the body corporate created by section 3 of this Act, shall hereafter use the words "Redevelopment Area Industrial Mortgage Association" or any combination of such words, as the name or part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding \$100 or imprisonment not exceeding 30 days, or both, for each day during which such violation is committed or repeated.

(f) In order that the Association may be supplied with such forms of obligations or certificates as it may need for issuance under this Act, the Secretary of the Treasury is authorized, upon request of the Association, to prepare such forms as shall be suitable and approved by the Association, to be held in the Treasury subject to delivery, upon order of the Association. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Association shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such forms.

(g) The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Association in the general performance of its powers, and the Association shall reimburse such Federal Reserve banks for such services in such manner as may be agreed upon.

#### INVESTMENT OF FUNDS

Sec. 9. Moneys of the Association not invested in mortgages or in operating facilities shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds.

#### OBLIGATIONS OF ASSOCIATION LEGAL INVESTMENTS

Sec. 10. All obligations issued by the Association shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

#### AMENDMENT OF GOVERNMENT CORPORATION CONTROL ACT

Sec. 11. Section 101 of the Government Corporation Control Act (31 U.S.C. 846) is amended by inserting "Redevelopment Area Industrial Mortgage Association;" after "Federal National Mortgage Association;"

portation into the United States of commercial sponges measuring less than 5 inches in diameter.

Tarpon Springs, Fla., the largest and only major commercial sponge producing area in the country, is in my district. In the middle 1940's, the industry soared to a \$3 million or more a year gross, and aided other industries indirectly, but a blight destroyed many of the sponge beds in the early 1950's, and the competition from synthetic and foreign sponges has reduced the once great industry to around \$200,000 a year. It is important to note that in even greater and better quality than before the beds have regrown, but the markets have not been recovered.

I have been reliably informed that there are sponges being imported into the United States that are less than 5 inches in diameter; however, there are laws on our statute books preventing the taking in this country of such sponges by our commercial producers, both Federal and State laws, and rightfully so. The minimum size law was put into effect as a conservation measure for biological control. The primary purpose of any conservation measure, of course, is to make it possible to harvest the largest crop, or obtain the greatest return from any natural resource. As applied to sponge production this conservation measure of legal size limit is probably the only effective means of control.

Foreign sponges competing unfairly in this respect include those from Cuba, the Mediterranean, as well as other foreign sources. To protect the American sponge industry, a tariff was established which applied to all countries except Cuba, which has a 20-percent preferential on all products. In September 1934 a trade agreement between the United States and Cuba provided for a reduction in the rate of duty on velvet sponges from 20 percent to 12 percent, and the rate of duty on sponges not specially provided for was reduced from 12 percent to 6 percent. This included hardhead, reef, and all other sponges.

At present, commercial sponge resources of the United States are protected both by an act of Congress and by the laws of the State of Florida. The act of Congress—Public Law No. 172, approved August 15, 1914; 38 Stat. 6921—prohibits the capture in waters of the Gulf of Mexico and the Straits of Florida which are outside the limits of territorial jurisdiction, of sponges measuring less than 5 inches in diameter when wet. This act also forbids the landing, curing, possession, or sale of sponges less than that size and provides penalties for violation. The laws of Florida contain substantially the same prohibitions with respect to catching and marketing sponges within the territorial limits of the State. A State law also provides that hooks used in removing sponges from the bottom shall be 5 inches wide and prohibits the use of diving equipment for taking sponges within the territorial limits of the State.

Since 1948 the number of diving boats working the Florida sponge beds has steadily declined. In 1953 there were fewer than 20 diving boats operating full time in the Florida sponge fishery.

The bottom of the Gulf of Mexico is now covered with sponges and is a beautiful garden of fine and high quality Rock Island sponges. However, the Federal Government's buying specifications fail to give Florida sponges a fair break and actually favor Cuban and Nassau sponges. This, in addition to the fact that imports can be permitted of sponges less than 5 inches in diameter, directly in competition with domestic sponges, places our own domestic producers, who cannot take such sponges themselves according to law, at a tremendous disadvantage, and the purpose of my bill, of course, is to place our commercial producers on an equal footing with foreign producers.

I might add that, through contact with the General Services Administration, I requested that a survey be made to learn if there is a basis on which domestic sponges may compete more effectively with foreign sponges, and such a survey is now under way, I understand. The GSA is also planning to include sponges to be procured on the basis of type I Rock Island produced in Tarpon Springs in the September 1960 edition of the GSA "Stores Stock Catalog."

In terms of value the United States leads the world in natural sponge production, while Cuba supplies the greatest quantity, but this unfair foreign competition must be brought to a halt. Foreign imports below the domestically enforced 5-inch minimum limit permit foreign sponge products to undercut domestic prices and quality and thus absorb most of the domestic market. Without some relief, this sick industry will die and this product, needed in wartime, will disappear from domestic production.

Cuba, with its attitude toward the United States, should not continue to get such favored treatment.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MINSHALL (at the request of Mr. BETTS), for today, on account of official business.

Mr. INOUE (at the request of Mr. McCORMACK), for tomorrow, July 2, on account of official business.

Mr. ALFORD (at the request of Mr. ALBERT), for an indefinite period, on account of illness.

Mr. KLUCZYNSKI (at the request of Mr. McCORMACK), on account of illness in family.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MILLIKEN (at the request of Mr. BROOMFIELD), for 10 minutes, on Saturday, July 2.

Mr. FLOOD (at the request of Mr. HECHLER), for 10 minutes, on each of two subjects; and for 1 hour on another subject, today, to revise and extend his remarks and include extraneous matter.

#### BILL FOR RELIEF OF TARPON SPRINGS SPONGE INDUSTRY—TO PUT DOMESTIC SPONGES ON A FAIR COMPETITIVE BASIS WITH IMPORTED SPONGES

Mr. CRAMER. Mr. Speaker, I am today introducing a bill to prohibit the im-

Mr. PUCINSKI, for 3 minutes, today.  
Mr. MEADER, for 10 minutes, today.  
Mr. HALPERN, for 5 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MEADER, to revise and extend his remarks on H.R. 9996 and include extraneous matter.

Mr. LESINSKI and to include extraneous matter.

Mr. DERWINSKI.

Mr. LANKFORD.

(The following Members (at the request of Mr. BROOMFIELD) and to include extraneous matter:)

Mr. TAYLOR.

Mr. VAN ZANDT in two instances.

Mr. HENDERSON.

Mr. BROOMFIELD.

(The following Members (at the request of Mr. DULSKI) and to include extraneous matter:)

Mr. FRIEDEL.

Mr. POWELL.

Mr. THOMPSON of Texas.

Mr. RODINO.

Mr. PHILBIN and include extraneous matter.

Mr. MATTHEWS.

Mr. PORTER (at the request of Mr. DULSKI) and include extraneous matter, notwithstanding it exceeds the limit and is estimated by the Public Printer to cost \$263.75.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3736. An act creating a Commission to be known as the Commission on Noxious and Obscene Matters and Materials; to the Committee on Education and Labor.

#### ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1157. An act to provide for promotion of economic and social development in the Ryukyu Islands;

H.R. 3375. An act to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior to contract for coal research, and for other purposes;

H.R. 4049. An act to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons;

H.R. 4386. An act to amend title 18 of the United States Code to make it unlawful to destroy, deface, or remove certain boundary markers on Indian reservations to hunt, fish, or trap;

H.R. 5040. An act to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes;

H.R. 5098. An act to provide for the application and disposition of net revenues from

the power development on the Grand Valley Federal reclamation project, Colorado;

H.R. 6179. An act to grant the right, title, and interest of the United States in and to certain lands to the city of Crawford, Nebr.;

H.R. 7903. An act to amend chapter 37 of title 38, United States Code, to extend the veterans' guaranteed and direct loan program for 2 years;

H.R. 8295. An act to authorize the transfer to the Navajo Tribe of irrigation project works on the Navajo Reservation, and for other purposes;

H.R. 9702. An act to amend section 2771 of title 10, United States Code, to authorize certain payments of deceased members' final accounts without the necessity of settlement by General Accounting Office;

H.R. 10500. An act to amend the Career Compensation Act of 1949 with respect to incentive pay for certain submarine service;

H.R. 10596. An act to change the method of payment of Federal aid to State or territorial homes for the support of disabled soldiers, sailors, airmen, and marines of the United States;

H.R. 11602. An act to amend certain laws of the United States in light of the admission of the State of Hawaii into the Union, and for other purposes;

H.R. 12200. An act to amend title 10, United States Code, to authorize reduction in enlisted grade upon approval of certain court-martial sentences; and

H.J. Res. 778. Joint Resolution making temporary appropriations for the fiscal year 1961, and for other purposes.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 598. An act for the relief of Anthony Di Giovanni;

S. 1409. An act for the relief of Donald B. Thurston and other employees of the Fish and Wildlife Service;

S. 1454. An act for the relief of Keitha L. Baker;

S. 1965. An act to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies;

S. 2197. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used; and

S. 3125. An act for the relief of Robert William Neal, Robert J. Naumann, Charles LeRoy Van Slyke, and Franklin Jordan.

#### ADJOURNMENT

Mr. DULSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 59 minutes p.m.) the House adjourned until tomorrow, Saturday, July 2, 1960, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2314. A letter from the Under Secretary of the Interior, transmitting a report on the Mann Creek project, Idaho, pursuant to section 9(a) of the Reclamation Project Act of

1939 (53 Stat. 1187) (H. Doc. No. 444); to the Committee on Interior and Insular Affairs.

2315. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Hudson-Champlain Celebration Commission, in existence from August 8, 1958, through February 29, 1960; to the Committee on Government Operations.

2316. A letter from the Comptroller General of the United States, transmitting the report on examination of the operations of the Foreign Service Institute, Department of State, for the fiscal years 1957 through 1959; to the Committee on Government Operations.

2317. A letter from the Comptroller General of the United States, transmitting a report on examination, made during fiscal year 1959, of administrative activities of the American embassies and selected consulates in Germany, Italy, and the United Kingdom; to the Committee on Government Operations.

2318. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to clarify and strengthen existing inspection authority thereunder; require manufacturers of new drugs to keep records of, and make reports on, clinical experience and other relevant data bearing on the permissibility of such drugs; require that drugs be prepared or packed under adequate controls to insure proper identity, strength, purity, and quality, and otherwise insure their compliance with the act; and extend to all antibiotics the certification provisions of the act now limited to certain antibiotics"; to the Committee on Interstate and Foreign Commerce.

2319. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to section 13(c) of the act of September 11, 1957; to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. Senate Joint Resolution 68. Joint resolution providing for the establishment of the New Jersey Tercentenary Celebration Commission to formulate and implement plans to commemorate the 300th anniversary of the State of New Jersey, and for other purposes; without amendment (Rept. No. 2065). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. (Rept. No. 2066.) Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 2185. A bill to authorize modification of local participation in flood control projects; with amendment (Rept. No. 2067). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Twentieth report of the Committee on Government Operations (Rept. No. 2068). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Twenty-first report of the



Committee on Government Operations (Rept. No. 2069). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 12731. A bill to promote the efficient, fair, and independent operation of the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, and the Securities and Exchange Commission; with amendment (Rept. No. 2070). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee of conference. H.R. 7593. A bill to amend sections 101 and 401(e) of the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes. (Rept. No. 2072). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 8229. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts. (Rept. No. 2073). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 11748. A bill to continue until the close of June 30, 1961, the suspension of duties on metal scrap, and for other purposes. (Rept. No. 2074). Ordered to be printed.

Mr. NORRELL: Committee of conference. H.R. 12232. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes. (Rept. No. 2075). Ordered to be printed.

Mr. WALTER: Committee on the Judiciary. H.R. 12747. A bill to increase the salaries of assistant U.S. attorneys and certain other attorneys appointed by the Attorney General; without amendment (Rept. No. 2076). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS: Committee on Ways and Means. H.R. 7123. A bill to amend the Internal Revenue Code of 1954 so as to provide that lawful expenditures for legislation purposes shall be allowed as deductions from gross income; with amendment (Rept. No. 2077). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on ocean sciences and natural sciences (Rept. No. 2078). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 10841. A bill to amend the Tariff Act of 1930 to place bamboo pipe stems on the free list; with amendment (Rept. No. 2079). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee of conference. H.R. 10495. A bill to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes (Rept. No. 2080). Ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 3030. An act for the relief of Michiko (Hirai) Christopher; without amendment (Rept. No. 2071). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MULTER:

H.R. 12913. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. INOUE:

H.R. 12914. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. FINO:

H.R. 12915. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. HALPERN:

H.R. 12916. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. BARRETT:

H.R. 12917. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. RAINS (by request):

H.R. 12918. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. ADDONIZIO:

H.R. 12919. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. BARDEN:

H.R. 12920. A bill to amend a provision of the Railroad Unemployment Insurance Act relating to days of unemployment; to the Committee on Interstate and Foreign Commerce.

By Mr. BARR:

H.R. 12921. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of expenses for visiting the grave of a deceased serviceman; to the Committee on Ways and Means.

By Mr. BLATNIK:

H.R. 12922. A bill to amend the Trade Agreements Extension Act of 1951, the Internal Revenue Code of 1954, and the Social Security Act to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 12923. A bill to amend chapter 221 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 12924. A bill for the better assurance of the protection of citizens of the United States and other persons within the several States from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

H.R. 12925. A bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on House Administration.

H.R. 12926. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

H.R. 12927. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. HARMON:

H.R. 12928. A bill to require the President to remain within the District of Columbia during at least 3 days of each week while Congress is in session, and to remain within

the United States during his term of office; to the Committee on the Judiciary.

By Mr. JUDD:

H.R. 12929. A bill to adjust the rates of compensation of employees in the postal field service, to establish a temporary Commission on Federal Civilian Employees Compensation Policy, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. METCALF:

H.R. 12930. A bill to authorize Federal loans and matching grants as alternative forms of assistance to colleges and universities for the construction, rehabilitation, alteration, conversion, or improvement of classroom buildings and other academic facilities; to the Committee on Education and Labor.

By Mr. OLIVER:

H.R. 12931. A bill creating a commission to be known as the Commission on Noxious and Obscene Matters and Materials; to the Committee on Education and Labor.

By Mr. QUIGLEY:

H.R. 12932. A bill to authorize the use of surplus foods in training students in home economics; to the Committee on Agriculture.

By Mr. THOMPSON of New Jersey:

H.R. 12933. A bill to authorize Federal loans and matching grants as alternative forms of assistance to colleges and universities for the construction, rehabilitation, alteration, conversion, or improvement of classroom buildings and other academic facilities; to the Committee on Education and Labor.

By Mr. CRAMER:

H.R. 12934. A bill to prohibit the importation into the United States of commercial sponges measuring less than 5 inches in diameter; to the Committee on Ways and Means.

By Mr. DIXON:

H.R. 12935. A bill to retrocede to the State of Utah concurrent jurisdiction over certain lands within such State which are under the jurisdiction of the United States; to the Committee on Armed Services.

By Mr. FILLION:

H.R. 12936. A bill to provide that military personnel stationed in a State who are denied the right to vote in such State in certain elections solely by reason of their military status shall not be counted in determining such State's representation in the House of Representatives; to the Committee on the Judiciary.

By Mr. HARRISON:

H.R. 12937. A bill to amend the Internal Revenue Code of 1954 to clarify the excise tax on transportation of persons as applied to payments for sightseeing; to the Committee on Ways and Means.

By Mr. QUIGLEY:

H.R. 12938. A bill to enact the Fiscal Responsibility Act of 1960; to the Committee on Ways and Means.

By Mr. CANNON:

H.J. Res. 778. Joint resolution making temporary appropriations for the fiscal year 1961, and for other purposes; to the Committee on Appropriations.

By Mr. FARBERSTEIN:

H.J. Res. 779. Joint resolution providing for an international conference between the free world's industrial nations and the new African governments; to the Committee on Foreign Affairs.

By Mr. LEVERING:

H. Con. Res. 707. Concurrent resolution expressing the sense of Congress that the United States should not grant further tariff reductions in the forthcoming tariff negotiations under the provisions of the Trade Agreements Extension Act of 1958, and for other purposes; to the Committee on Ways and Means.

By Mr. BARING:

H. Res. 593. Resolution expressing the sense of the House with respect to the proposed disposal of the land adjacent to the

Veterans' Administration hospital at Bernards Township, N.J.; to the Committee on Government Operations.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H.R. 12939. A bill for the relief of Gabriel G. Kajeckas; to the Committee on the Judiciary.

By Mrs. CHURCH:

H.R. 12940. A bill for the relief of Maria Stella Todaro; to the Committee on the Judiciary.

By Mr. COFFIN:

H.R. 12941. A bill for the relief of Nishan der Simonian; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 12942. A bill for the relief of Giovanni Dilluvio; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12943. A bill for the relief of William W. Stevens; to the Committee on the Judiciary.

By Mr. MADDEN:

H.R. 12944. A bill for the relief of Evan-gella Kurtales; to the Committee on the Judiciary.

H.R. 12945. A bill for the relief of Giacomo Ferro; to the Committee on the Judiciary.

By Mr. OSMERS:

H.R. 12946. A bill for the relief of Harry Weinstein; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 12947. A bill for the relief of Ewa Paczosa; to the Committee on the Judiciary.

By Mr. TOLL:

H.R. 12948. A bill for the relief of Margarete Zgodda; to the Committee on the Judiciary.

By Mr. LEVERING:

H. Res. 594. Resolution extending the greetings and felicitations of the House of Representatives to Hebron, Ohio, on the occasion of the celebration on July 4, 1960, of its 125th year as a chartered village; to the Committee on the Judiciary.

## EXTENSIONS OF REMARKS

### The Van Zandt Bill H.R. 12395, Requiring Users of Inland Waterways To Pay a User's Charge Will Serve To Eliminate Unfair Competition Existing in our Nationwide Transportation System

#### EXTENSION OF REMARKS

OF

### HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 1, 1960

Mr. VAN ZANDT. Mr. Speaker, since May 25, 1960, when I introduced H.R. 12395, it is gratifying to observe the widespread interest in the proposed legislation.

The bill would establish the Inland Navigation Commission and authorize the provision and collection of fair and reasonable charges for use of inland waterway navigational improvements, constructed, maintained, or operated with Federal funds, and for other purposes.

There is scant opposition to the user charge principle. Presidents Franklin D. Roosevelt, Harry S. Truman, and Dwight D. Eisenhower have all publicly urged the imposition of such charges for the use of publicly provided transportation facilities.

The Van Zandt bill, H.R. 12395, would correct an inequitable situation in the field of transportation arising from the fact that those who operate on our inland waterways have never paid a user charge.

It should be emphasized that users of the federally subsidized inland waterways, built and maintained at taxpayer expense, have never paid the Government anything for either the construction of or operating on these costly facilities. Federal expenditures for navigation on the inland and intracoastal waterways have aggregated more than \$2.6 billion and have been increasing rapidly in recent years. Such expenditures have risen steadily from \$57.2 million in 1955 to \$145 million in 1959.

Mr. Speaker, there is no denial of the fact that barge-line operations on our inland waterways form a mature and

financially strong industry. As such, that industry should be required to take its place in transportation, on a self-sustaining basis, bearing its own costs under conditions of fair competition with other modes of transportation. Mr. G. C. Taylor, president of the Mississippi Barge Lines Co., stated before the Subcommittee on Surface Transportation of the U.S. Senate, 85th Congress, on behalf of the Inland Waterways Common Carriers Association, that the common carrier barge-line members handled 24 billion ton-miles of freight in 1957 and collected revenues of \$96 million. Mr. Taylor also stated that their rates averaged about 4 mills per ton-mile as against 14 mills for the railroads. An analysis of these nine common carrier barge-line members on the Mississippi River System that reported to the Interstate Commerce Commission indicates that the average rate of return on investment for transportation purposes in 1957 amounted to 16.74 percent of unamortized investment before income taxes and 10.38 percent of unamortized investment after income taxes.

These figures clearly reveal that the barge lines can well afford to pay their own way rather than to continue to expect the overburdened American taxpayers to "pick up the check" for them. Therefore there is nothing to justify annual appropriations year after year from funds paid into the Treasury by general taxpayers.

"Transportation Lines on the Mississippi River System and the Gulf Intracoastal Waterway for 1959," a Corps of Engineers publication, lists a total of 1,012 carriers on these waterways, which are classified as follows: 34 common carriers, 13 contract carriers, and 965 exempt carriers. The latter class is privileged to operate on the waterways without regulatory control, and it assumes no responsibility for public or common carrier service. It is estimated that an additional 230 inland waterway carriers operate on the Atlantic and Pacific coasts, making a total of approximately 1,240 for all inland waterways.

These carriers handled 109 billion ton-miles of cargo in 1958. Assuming revenue or value in lieu of revenue of 4.5 mills per ton-mile, the volume would equal \$490 million. These data confirm that inland waterway barge line opera-

tions are a large and well-established industry. There is no longer any pretext of justification for these operators, in union with other proponents of navigation projects, to come to the Congress annually asking for, or, in fact, demanding, large appropriations from the Treasury to provide, improve, and maintain waterways which facilitate their commercial operations for private gain at taxpayer expense.

Mr. Speaker, the taxpayers of this country should have long-overdue relief from the burden of financing the ever-increasing demands of the waterway operators and their advocates. They clamor for appropriations from the Treasury not only to cover the operation and maintenance cost of existing navigation improvements, but in addition, the cost of extravagant enlargements and extensions of existing waterways. These users of our waterways also enjoy the benefits from the creation of new projects year by year—all of this with no provision whatever for reimbursement of the Treasury for the facilities and services furnished them by the public. These extortionate demands are always asserted, and justification attempted by a claim of cheap and economical transportation. I ask in all fairness: How can transportation be called economical or cheap when it falls upon the Federal Government to absorb a great share of the cost? How can this transportation be termed economical when the burden is carried by the general tax receipts of the Federal Government and, therefore, by all the taxpayers rather than the users of the waterway and the operators of carrier lines?

The present value of the depreciated federally built structures on our inland waterway system is estimated to be approximately \$1.5 billion, with annual operating and maintenance expenses of approximately \$44 million. These expenditures by the Federal Government are pure subsidies. They constitute an outright gift of \$1,200,000 with an additional maintenance donation of \$35,000 year after year to each and every one of the 1,240 operating carriers. Obviously, these subsidies would not be evenly divided or accrue among the various operators; rather they accrue to a relatively few large corporations and industries that can well afford to pay the full